State of California Franchise Tax Board

FTB Pub. 1098   Guidelines for the Development and Use of Substitute, Scannable and Reproduced Tax Forms

TABLE OF CONTENTS

TABLE OF CONTENTS

ALL FTB TAX FORMS

Introduction

The Franchise Tax Board (FTB) prescribes the format of California tax returns, schedules, statements and declarations. California Revenue and Taxation Code Sections 18431 and 18621 give FTB the authority to approve or reject any substitute or scannable tax form that is commercially printed, computer produced or computer programmed that does not meet the guidelines mentioned in this publication or that would cause processing problems. In exercising this authority, FTB's primary objectives are to ensure that the tax forms:

- Are compatible with FTB's automated processing system;
- Are compatible with FTB's image processing and MARCS systems;
- Result in the accurate assessment of the taxpayer's tax liability; and
- Present information in a uniform pattern.

These guidelines are for computerized tax processors, developers of tax software, computer programmers, commercial printers and others who develop and use substitute, scannable and reproduced tax forms or who must get FTB's approval of their substitute, scannable and reproduced tax forms.

Unless stated otherwise, the term "form" as used in these guidelines includes tax returns, schedules, statements and declarations.

What's New for 1998?

➢ The identifier located in the entity area on all personal income tax forms (scannable Forms 540 and 540A and Forms 540EZ, 540NR and 540X) will be "98." This field is mandatory for Scannable Forms 540 and 540A. However, this field is optional for Forms 540EZ, 540NR and 540X. See the scannable form specifications and record layouts in this publication for exact placement.

➢ New registration marks and document identification (ID) numbers replace last year's bar codes and registration marks. Scan-Optics will develop and integrate FTB's new cashiering system (Modernization and Re-engineering of the Cashiering System (MARCS)). Along with members of the NACTP and FTB staff, it was determined, that along with constrained hand-print boxes, new registration marks and a document ID would be more than sufficient to successfully process remittance documents. **Note:** Computer-generated forms DO NOT require constrained handprint boxes. However, the registration marks and document ID are required. See **"Registration Marks and Document ID Specifications for Use on California 1998 Tax Forms"** on page 10 for more information.

➢ FTB will continue to offer Direct Deposit of Refunds (DDR) for 1998 e-file and TeleFile returns only. In addition, the number of DDR requests per bank account from one to two will allow DDR for first-time filers. Also for tax year 1998, taxpayers that e-file will have an option to use e-pay and electronic debit option for balance due e-file returns. The e-pay information will be added to form FTB 8453, California Individual Income Tax Declaration for e-file. Interested tax professionals that want to learn more about FTB's e-file Program may call the e-file Help Desk at (916) 845-0353. The hours are Monday through Friday, 8 a.m. to 5 p.m., (PST), except for holidays.

Definitions of Substitute, Scannable and Reproduced Tax Forms

Substitute Tax Form

A form, other than the official FTB form, that is:
- Computer produced;
- Computer programmed; and
- Commercially typeset and printed.

FTB must be able to process substitute tax forms in the same manner as the official handprint forms. Substitute tax forms that are electronically processed must be compatible with FTB's automated system. Therefore, substitute tax forms that are electronically processed must duplicate the appearance and layout of the official form including size of margins, special keying symbols, line numbers and code numbers.

Dot Matrix Text Mode Forms

For filing purposes, FTB does **not** accept ANY dot matrix facsimile California tax forms and schedules because they do not contain the data entry keying symbols, graphic bar code and other required graphics necessary for processing. Companies must clearly state in the top margin of all electronically processed text mode forms: **"DO NOT FILE THIS FORM."**

Scannable Tax Forms (540 and 540A)

Refund or No Amount Due (non-remit) scannable tax forms will be processed using FTB's Image Assisted Data Capture (IADC) system. Balance due (returns received with payment attached) scannable forms will be processed using the MARCS System. Scannable Forms 540 and 540A are similar to the official Forms 540 and 540A, California Resident Income Tax Return, with the following exceptions on Side 1:
1) A scannable graphic patch located in the center top margin;
2) The taxpayer entity information layout; and
3) A scannable band area that contains the taxpayer's tax data and tax preparer's ID (FEIN) number.

The rest of the scannable Forms 540 and 540A are exactly like the official Forms 540 and 540A. See "**Scannable Form 540 and Form 540A**" on page 24 for more information.

Overlays may be developed for scannable Forms 540 and 540A. See "**Submitting Forms to FTB for Approval**" on page 14 for more information.

Reproduced Tax Form

A photocopy of the official FTB form.

Who Must Get Approval of Substitute, Scannable and Reproduced Tax Forms?

Substitute and Scannable Forms

Any company that develops and uses substitute and/or scannable tax forms must get approval from FTB. For a list of which forms require FTB approval, see "**Forms/Schedules That Require FTB Approval**" that begins on page 8.

The company must get approval from FTB if it develops:
- Scannable and/or substitute tax forms using its own tax software programs;
- Tax software programs to be used with scannable and/or substitute tax forms developed by another company; and
- Scannable and/or substitute tax forms for other companies to use with their tax software programs.

Commercial printers or business forms companies that develop and use scannable and/or substitute tax forms must also get approval from FTB.

Each year, the company must get approval from FTB **before** releasing or distributing substitute and/or scannable tax forms that require FTB approval to its customers and/or clients.

If your software produces substitute and scannable tax forms that are not approved by FTB, you must clearly state in the top margin: "**DO NOT FILE THIS FORM**."

If your company is described above, your customers or clients do not need to get additional approval from FTB to use your FTB approved substitute and/or scannable tax forms. But they should verify that your substitute and/or scannable tax forms have been approved by FTB. Examples of customers or clients who should verify FTB approval by asking you for a copy of your FTB approval letter are:
- Tax practitioners who purchase software that produces substitute and/or scannable tax forms;
- Tax practitioners who use batch processing service bureaus that produce substitute and/or scannable tax forms;
- Tax practitioners who purchase substitute and/or scannable tax forms from commercial printers or business forms companies; and
- Software providers who sell the products of tax software developers who design substitute and/or scannable tax forms.

Reproduced Forms

FTB will accept reproductions of official forms without FTB approval if the reproductions are:
- Facsimiles of the official form produced by photo-offset, photoengraving, photocopying or other similar reproduction process;
- Facsimiles of scanned images of the official form;
- Printed with black ink on white paper of substantially the same weight, texture and quality as the official forms;
- Legible in both the original text of the form and the filled-in data; and
- The same dimensions as the official form, including the paper and the image reproduced on it.

The signatures of the taxpayer and spouse, if any, and the tax preparer on the reproduced forms must be original.

FTB will accept one-sided reproduced tax forms even if the official form is two-sided. However, FTB prefers two-sided reproduced forms that result in the same page arrangements as the official form.

You may not file reproduced tax forms that do not meet the preceding guidelines. Reproduced tax forms that deviate from the official forms are considered substitute tax forms.

Note: Scannable tax forms may not be reproduced for your customers and clients to fill-in by hand. Scannable tax forms are strictly for your customers and clients that use a computer to prepare their clients' returns. If you have customers or clients who manually prepare their clients' tax returns, FTB will provide you with final proofs of the official forms.

Note: Publishers may reduce the size of the official forms to make them suitable to fit in bound reference material. However, publishers must clearly state on the forms: "**DO NOT FILE THIS FORM**."

Note: Do not include scannable tax forms in CD-ROM "Reader" or Library products that users will print to fill-in by hand. FTB will provide you with final proofs of the official forms to include in these products.

Forms/Schedules That Require FTB Approval

The following forms and schedules need approval by FTB. Submit **two (2)** original sample documents.

Form/Schedule	What needs approval
Form 100	form, keying symbols, document ID, registration marks
Form 100-ES **	form, document ID, form size, registration marks
Form 100-FEE-X	form, document ID, keying symbols, registration marks
Form 100S	form, keying symbols, document ID, registration marks
Form 100X	form, keying symbols, document ID, registration marks
Form 109	form, keying symbols, document ID, registration marks
Form 199	form, keying symbols, document ID, registration marks
Form 540	conventional form, patch, line geometry, entity data placement, scanband data placement, keying symbols, document ID, registration marks
Form 540 overlay	same as Form 540 as well as the instructions on how to use the overlay
Form 540A	conventional form, patch, line geometry, entity data placement, scanband data placement, keying symbols, document ID, registration marks
Form 540A overlay	same as Form 540A as well as the instructions on how to use the overlay
Form 540-ES **	form, shading (voucher 4 only), document ID, form size, registration marks
Form 540EZ	form, shading, entity data, keying symbols, document ID, registration marks
Form 540NR	Form, shading, entity data, keying symbols, 4-digit decimal placement on line 25a, document ID, registration marks
Form 540X	form, entity data, keying symbols, document ID, registration marks
Form 541	form, keying symbols, document ID, registration marks
Form 541-ES **	form, shading (voucher 4 only), document ID, form size, registration marks
Form 541-QFT	form, keying symbols, document ID, registration marks
Form 565	form, keying symbols, document ID, registration marks
Form 568	form, keying symbols, document ID, registration marks
Form 592	form, keying symbols, document ID, registration marks
Form 592-A	form, document ID, registration marks
Form 592-B	form, document ID, registration marks
Form 597	form, document ID, registration marks
FTB 3500	form, document ID, registration marks
FTB 3519 *	form, form size, document ID, registration marks
FTB 3522 *	form, form size, document ID, registration marks
FTB 3525	form, three-digit CTP ID in upper left-hand top margin
FTB 3537 *	form, form size, document ID, registration marks
FTB 3538 *	form, form size, document ID, registration marks
FTB 3539 *	form, form size, document ID, registration marks
FTB 3560	form, document ID, registration marks
FTB 3563 *	form, form size, document ID, registration marks
FTB 3582 *	form, form size, document ID, registration marks
FTB 3805P	form, document ID, registration marks

Form/Schedule	What needs approval
FTB 8453	form, three-digit CTP ID in upper left-hand top margin
FTB 8633	form, three-digit CTP ID in upper left-hand top margin
FTB 9000	form, shading, keying symbols, document ID, registration marks
FTB 9000R	form, shading, keying symbols, document ID, registration marks
Sch. CA (540)	form, shading, document ID, registration marks
Sch. CA (540NR)	form, shading, document ID, registration marks, 4-digit decimal placement on line 33
Sch. K-1 (100S)	form, keying symbols, document ID, registration marks
Sch. K-1 (541)	form, document ID, registration marks
Sch. K-1 (565)	form, keying symbols, document ID, registration marks
Sch. K-1 (568)	form, keying symbols, document ID, registration marks
Sch. P (100)	form, keying symbols, document ID code, bar code, registration marks
Sch. P (540)	form, keying symbols, document ID, registration marks
Sch. P (540NR)	form, 4-digit decimal placement on Side 2, document ID, registration marks
Sch. P (541)	form, document ID, registration marks
Sch. R, Sides 1,2&3	form, keying symbols, document ID, registration marks
Sch R-7 (R, Side 4)	form, document ID, registration marks

* Form **must** print at the bottom of the paper.
 ** If software is programmed to print one voucher per one sheet of paper, this form **must** print at the bottom.

All substitute California tax forms (including the ones that do not require approval from FTB) **must** include the registration marks and document ID. Companies may omit instructional text that begins below the form on Side 1 or Side 2. However, the bottom registration mark **and** document ID **must** remain as shown on the official form. See **"Samples of Registration Marks and Document ID Placement"** on page 11 for more information.

Note: Computer-generated forms DO NOT require constrained handprint boxes. You do **not** need approval from FTB to use a form or schedule not shown above. However, you must abide by the substitute tax form guidelines that begin on page 16.

Registration Marks and Document ID Specifications for Use on California 1998 Tax Forms

Side 1* - Registration Marks

Top Margin * Top margin registration mark not required on scannable Forms 540 and 540A
- Bold line (2 point rule) at positions 75 through 80 and print line 4
- Bold line (2 point rule) at position 80 and print line 4; end at print line 5

Side 2 -

Top Margin
- Bold line (2 point rule) at positions 5 through 73; and positions 75 through 80 at print line 4
- Bold line (2 point rule) at position 80 and print line 4; end at print line 5

Bottom Margin*

*The bottom registration mark on scannable Form 540A, Side 1 is a 1 point rule.
- Bold line (2 point rule) at positions 5 through 28; positions 30 through 35; positions 50 through 55; and positions 57 through 80 and print line 62
- Bold line (2 point rule) at vertical positions 35 and 50 and print line 62; end at print line 63

Document ID (Position of contents within the "string")

All substitute tax forms included in your company's software product(s) **must** contain a document ID in the bottom margin. Center the document ID "string" between positions 35 and 50 (bottom registration mark). There should be at least one blank space between the document ID string and the registration marks. Note: Exact placement of the document ID will vary due to the length of the form number.

Positions	Contents
1-5	Form number (540A, 3805P, etc.)
6-7	Tax year (2 digit, i.e., 98)
8	Side/page number (1 digit number, exclude text)
9-10	Source code (computer-generated returns are **always "04"**)
10-13	CTP ID (Use the FTB assigned three-digit number)

- If a form number is less than five (5) positions, compress the document ID. **Do not** add spaces to fill the remaining positions. **Example:** Form "587" is three (3) positions. Tax software companies must program the document ID "string" to print: "58798104XXX" (The three "X's" represent the three-digit CTP ID.)
- If the form is single-sided, no Side 2 (as on vouchers), the document ID will print on the side with form/instructions. Identify side number in document ID as "1."
- Multi-sided/paged forms must have a document ID on all pages. **Exception:** Companies are not required to print Side 2, 3, etc., if it contains instructions only.
- For "generic" tax forms, the document ID should contain the year of revision (i.e., 98 for 1999 process year forms). **Note:** Estimate vouchers (Forms 100-ES, 540-ES and 541-ES) will include "99" as the tax year in the document ID "string."
- All margins **must** be maintained.

Font to Use for Document ID

Courier font 12 point (10 pitch), **not** bold.

Samples of Registration Marks and Document ID Placement

Side 1* – *Example of registration mark in top margin*

```
5                                                          75    80
                                                                  0
                                                                 —1
                                                                 —2
                                                                 —3
 TAXABLE YEAR   Payment Voucher for Automatic    CALIFORNIA FORM —4
 1998           Extension for Limited Liability Companies   3537
 For calendar year 1998 or fiscal year beginning month ____ day ____ year 1998, and ending month ____ day ____ year ____
```

* Top margin registration mark not required on scannable Forms 540 and 540A.

Side 2 – *Example of registration mark in top margin*

```
5                                                       73 75   80
                                                                 0
                                                                —1
                                                                —2
                                                                —3
                                                                —4
```

Bottom margin – *Example of registration mark and document ID placement.*
    Note: *Example shows the document ID with CTP ID.*

```
5              28  30    35        50   55 57            80
                                                          —62
 For Privacy Act Notice, see instructions.  540NR98104613   Form 540 C1 1998 Side 1 —63
                                                          —64
                                                          —65
                                                          —66
```

Note: Instructional text that begins below the form on Side 1 or Side 2 may be omitted. However, the bottom registration mark and document ID **must** remain as shown on the official form.

Note: All registration marks (top and bottom margin) are a 2 point rule.
Exception: The bottom margin registration mark on scannable Form 540A, Side 1 will be a 1 point rule.

Note: Where possible, allow at least 1/8 of an inch of white space around the registration mark. Otherwise, 1/16 of an inch is acceptable.

Form Number (RAMP Acronym) for Document ID "String"

FTB Form #	RAMP Acronym	FTB Form #	RAMP Acronym	FTB Form #	RAMP Acronym
100	**100**	3507	**3507**	3885A	**3885A**
100-ES	**100ES**	3510	**3510**	3885F	**3885F**
100-FEE-A	**100FA**	3519	**3519**	3885L	**3885L**
100-FEE-X	**100FX**	3521	**3521**	3885P	**3885P**
100S	**100S**	3522	**3522**	5805	**5805**
100-WE	**100WE**	3523	**3523**	5805F	**5805F**
100X	**100X**	3525	**3525**	5806	**5806**
109	**109**	3526	**3526**	5870A	**5870A**
199	**199**	3533	**3533**	9000	**9000**
540	**540**	3535	**3535**	9000R	**9000R**
540A	**540A**	3536	**3536**	9110	**9110**
540-ES	**540ES**	3537	**3537**	B/C (100S)	**B100S**
540EZ	**540EZ**	3538	**3538**	C (100S)	**C100S**
540NR	**540NR**	3539	**3539**	CA (540)	**CA540**
540X	**540X**	3540	**3540**	CA (540NR)	**CANR**
541	**541**	3546	**3546**	D (100S)	**D100S**
541-A	**541A**	3547	**3547**	D (540)	**D540**
541-B	**541B**	3548	**3548**	D (541)	**D541**
541-ES	**541ES**	3553	**3553**	D (565)	**D565**
541-QFT	**541QF**	3560	**3560**	D (568)	**D568**
541-T	**541T**	3563	**3563**	D-1	**D1**
565	**565**	3565	**3565**	G-1	**G1**
568	**568**	3574	**3574**	H (100)	**H100**
570	**570**	3580	**3580**	H (100S)	**H100S**
587	**587**	3582	**3582**	J (541)	**J541**
588	**588**	3800	**3800**	K-1 (100S)	**K100S**
590	**590**	3801	**3801**	K-1 (541)	**K1541**
590-P	**590P**	3801-CR	**3801C**	K-1 (565)	**K1565**
590-RE	**590RE**	3802	**3802**	K-1 (568)	**K1568**
592	**592**	3803	**3803**	P (100)	**P100**
592-A	**592A**	3805E	**3805E**	P (540)	**P540**
592-B	**592B**	3805P	**3805P**	P (540NR)	**PNR**
597	**597**	3805Q	**3805Q**	P (541)	**P541**
597-A	**597A**	3805V	**3805V**	R	**R**
597-B	**597B**	3805Z	**3805Z**	S	**S**
597-C	**597C**	3806	**3806**		
1116	**1116**	3807	**3807**		
1117	**1117**	3808	**3808**		
2416	**2416**	3809	**3809**		
2424	**2424**	3830	**3830**		
2426	**2426**	3832	**3832**		
3500	**3500**	3834	**3834**		
3501	**3501**	3885	**3885**		

Note: Forms may be split to print on separate sheets of paper. However, if more than one form prints on one sheet of paper (e.g., FTB 38885A/Schedule D (540)), the form on top is the form number that **must** print as the document ID.

How Does the Forms Approval Process Work?

The following are the steps in the FTB approval process:

➢ Complete and submit form FTB 1096, Agreement to Comply with FTB Pub. 1098 and mail to the address shown on the form. Once FTB receives the completed form FTB 1096, FTB will:

- Coordinate the filing of form FTB 1096;
- Assign your company a three-digit CTP ID number;
- Put your company's name on a mailing list to receive advance drafts and final proofs of California tax forms and instructions as well as other pertinent information needed to develop your product(s); and
- Publish your company's name in FTB's **Tax News** Newsletter as participating in the substitute, scannable and reproduced tax forms program. (**Tax News** is a bi-monthly publication subscribed to by tax practitioners, enrolled agents, CPAs, etc.)

➢ Submit your company's forms and schedules that require FTB approval to FTB for review **before** you distribute or release them, or related products, to your customers or clients. For instructions on submitting your company's forms, see "**Forms/Schedules That Require FTB Approval**" on page 8 and "**Submitting Forms to FTB for Approval**" on page 14.

When we receive your company's forms review package, we will fax your company's contact person the cover letter that accompanied the review package indicating:

- The date the package was received; and
- The expected completion date of the review (10 working days from the date the package is received in the Tax Forms Development and Distribution Section).

➢ We will fax an FTB approval letter to the company's contact person. This letter will indicate which forms are approved, approved if corrected or disapproved. When applicable, the fax will also include a copy of the form(s) that need corrections. A hard copy of the FTB approval letter and its attachments will be mailed the same day.

If the form is "approved if corrected," you **DO NOT** need to resubmit it for approval if you make the necessary corrections.

If the form is "disapproved," you may resubmit the form again after you make the corrections. For instructions on resubmitting your disapproved form, see "**Submitting Forms to FTB for Approval**" on page 14.

When we receive your company's resubmitted forms review package, we will fax your company's contact person the cover letter that accompanied the review package indicating:

- The date the package was received; and
- The expected completion date of the review. **Note:** The expected completion date for resubmits will be 3 working days from the date the package is received in the Tax Forms Development and Distribution Section. However, if your cover letter does not indicate that the form(s) is a resubmit, the date may be 10 working days from the date we received the package.

Note: FTB does not review or approve the logic of specific software programs or confirm the calculations entered on substitute and scannable tax forms output from software programs. The accuracy of software programs is the responsibility of the software developer, distributor or user.

What the Company Should Do for its Customers and Clients

Notify your customers or clients of the minimum computer hardware required for use with your software to produce your company's FTB approved substitute and scannable tax forms (i.e., printers, printer fonts, font cartridges, etc.).

Provide your customers and clients with an FTB approved overlay, if needed. Provide clear and easy instructions on how to use the overlay. This will help to ensure that the photocopies your users make duplicate your company's FTB approved forms. All overlays must include the required graphics.

Provide your customers and clients with the instructions they will need to correctly produce FTB approved substitute and scannable tax forms. These instructions must include information that tells your customers and clients the hardware requirements, including printer requirements, they will need to successfully "run" your software. In addition, you need to give your customers and clients the instructions on how to enter taxpayer entity information.

Upon request, provide your customers or clients with a copy of FTB approval letters.

Upon request from the FTB, substantiate notices of correction in your software sent to your customers or clients.

Submitting Forms to FTB for Approval

Prior to submitting your company's substitute and/or scannable forms, review the areas listed below. This will help to ensure that your company's forms meet the FTB requirements for approval.
- "**Substitute Tax Forms**" beginning on page 17;
- "**Scannable Form 540 and Form 540A**" beginning on page 24; and
- "**Forms/Schedules That Require FTB Approval**" beginning on page 8.

First submit

When you first submit your company's substitute and/or scannable forms for approval, please do the following. It will expedite the review process.
- Include a cover letter with your review package. If your software does not support a particular field or field size, etc., indicate this information in your letter.
- Submit **two (2)** original sample documents.
- Use the scannable Forms 540 and 540A checklists on page 31 and page 47.
- When you submit Forms 540EZ, 540NR, and 540X, be sure to include taxpayer entity information examples. Use the "Entity Data Placement" section of "**Submitting Scannable Form 540 and Scannable Form 540 Overlay for Approval Checklist**" (page 32).
- **Do not** submit a fax copy on first submit. Hard copies are required for first submit.
- If you use multiple printers, please identify the printer type on each form that you submit.
- Send your forms and overlays by courier, freight or UPS to:

ATTN: TAX FORMS DEVELOPMENT AND DISTRIBUTION SECTION/LYNDA RUSH
FRANCHISE TAX BOARD
9645 BUTTERFIELD WAY
SACRAMENTO CA 95827

Resubmit

Please do the following when you resubmit a form that was disapproved. This will expedite the review process.
- Make all corrections.
- Include a cover letter (and indicate "resubmit") with your review package. If your software does not support a particular field or field size, etc., indicate this information in your letter.
- Submit **two (2)** original sample documents.
- If you use multiple printers, please identify the printer type on each form that you submit.
- Resubmit your forms by fax **only** if the FTB letter indicates that you may do so. Otherwise, send resubmits by courier, freight or UPS to:

ATTN: TAX FORMS DEVELOPMENT AND DISTRIBUTION SECTION/LYNDA RUSH
FRANCHISE TAX BOARD
9645 BUTTERFIELD WAY
SACRAMENTO CA 95827

What Are the Benefits of Following the Guidelines for the Development and Use of Substitute, Scannable and Reproduced Tax Forms?

You will benefit by following the Guidelines for the Development and Use of Substitute, Scannable and Reproduced Tax Forms because:
- FTB will be able to review your tax forms and respond to you quickly;
- FTB will be able to process your approved tax forms which will result in fast, accurate processing and quick refunds; and
- You will have happier customers and clients who are confident with your product.

What Are the Consequences of Not Following the Guidelines for the Development and Use of Substitute, Scannable and Reproduced Tax Forms?

FTB will work with you to correct the errors in your tax forms.

If you release forms that fail to follow the Guidelines for the Development and Use of Substitute, Scannable and Reproduced Tax Forms, the FTB:
- Will require you to send proof (e.g., revised forms, excerpts from revised user's manuals, release letters for new versions of software, etc.) that you have corrected the errors and notified your customers or clients of the corrections;
- Will publish your company's name in **Tax News** and other publications, stating that your company did not follow the Guidelines for the Development and Use of Substitute, Scannable and Reproduced Tax Forms. FTB will publicize such a violation even if you subsequently correct the errors on your tax forms; and
- May notify taxpayers, if you fail to correct the problem, that refunds are delayed because your tax forms were not approved by FTB.

How Do I Contact FTB Regarding Substitute, Scannable and Reproduced Tax Forms?

Mail all correspondence regarding substitute, scannable and reproduced tax forms and related issues to:

> **ATTN: TAX FORMS DEVELOPMENT AND DISTRIBUTION SECTION/LYNDA RUSH**
> **FRANCHISE TAX BOARD**
> **PO BOX 1468**
> **SACRAMENTO CA 95812-1468**

Send courier, freight or UPS deliveries to:

> **ATTN: TAX FORMS DEVELOPMENT AND DISTRIBUTION SECTION/LYNDA RUSH**
> **FRANCHISE TAX BOARD**
> **9645 BUTTERFIELD WAY**
> **SACRAMENTO CA 95827**

Or you may call the Tax Forms Development and Distribution Section at (916) 845-3442.

Note: Due to the large volume of mail that the FTB receives and processes through the above-mentioned PO Box address, it is recommended that you use the courier, freight or UPS mailing address for your forms packages. Doing so will help ensure that your forms packages are delivered to the Tax Forms Development and Distribution Section on the date they are received at FTB.

SUBSTITUTE TAX FORMS

Guidelines for Preparing Substitute Tax Forms

Because of legislative changes, equipment innovations and procedural improvements, these guidelines are subject to change.

Instructional Text

You may omit only instructional text from forms; however, when doing so, please be consistent. Examples of such text are: "See instructions," "Attach to Form 540" and "Attach schedule."

Monetary Amounts

Substitute tax forms must include the vertical rule ("penny line") that separates dollars from cents. However, if your tax software program prints a decimal point following the dollar amount, you may remove the vertical rule. **Please indicate this in your forms review package cover letter.**

You may omit printing cents, however, all monetary amounts entered on the form must follow a consistent format. You are strongly urged to round the figures to whole dollar amounts. This follows the official return instructions.

You may program your software to print a "12 position" dollar amount (includes commas and decimal point) in the "**conventional**" area on all California personal income tax forms. FTB's Tandem and MARCS systems will output 11 positions; no punctuation. Example: 000,000,000. will be processed as: 000000000

Unless a specific line instruction requires a zero (-0-), leave the line blank when there is no entry. **Do not** print the word "NONE."

Negative Amounts

When printing negative monetary amounts, you must use one of the following formats:
(a)   (549.)   (b)   -549.

Layout

The layout of a substitute tax form must follow the official form, including title; space for taxpayer name and identification number; year; captions; line numbers and line descriptions. See "**Submitting Forms to FTB for Approval**" on page 14 for more information. Also see "**Guidelines for Printing Taxpayer Entity Information for Forms 540EZ, 540NR and 540X**" on page 20 for more information.

You may limit captions and line descriptions from the official form to one print line on your substitute form. To do this, you may use abbreviations and contractions and omit articles and prepositions. However, you must retain key words that make identification of the caption or line description clear.

Each tax form has a unique document ID. If you want to combine any substitute forms, you must notify the FTB first.

You may include an explanation next to entries shown on a substitute form or use a supporting statement to explain an entry. If you use a supporting statement, it must refer to the entry on the substitute form it supports. In turn, the entry on the substitute form must refer to the supporting statement.

You may modify substitute tax forms that do not require FTB approval to make them suitable for computer preparation; however, they must include a document ID. Do not make changes that would impair FTB's ability to process, review or store. If you have questions about your proposed design, please contact FTB and speak with the Substitute Forms Program Administrator at (916) 845-3553.

You may use copies of federal forms in lieu of separate California forms. However, you must reconcile any California differences. Get FTB Pub. 1006, California Tax Forms and Related Federal Forms, for more information.

CTP ID

Developers of Form Only

Program your CTP ID to print in the upper left-hand corner on each page of each substitute tax form.

Developers of Software to be used with Another Company's Form

Program your CTP ID to print in the last three positions of the document ID. See **"Registration Marks and Document ID Specifications for Use on California 1998 Tax Forms"** on page 10 and **"Samples of Registration Marks and Document ID Placement"** on page 11 for more information.

Developers of Form and Software

If your company develops both the form and the tax software, program your CTP ID to print in the last three positions of the document ID. See **"Registration Marks and Document ID Specifications for Use on California 1998 Tax Forms"** on page 9 and **"Samples of Registration Marks and Document ID Placement"** on page 10 for more information.

The CTP ID will enable FTB to contact the company should a problem occur with the substitute tax form. Therefore, failure to include your company's CTP ID will result in the disapproval of your substitute tax form.

Keying Symbols

Keying symbols are codes that FTB's key data operators use to enter tax return information into FTB's automated files. These symbols reduce the time it takes to key data enter tax return information and they help FTB's key data operators to enter the correct information.

In preparing substitute tax forms, you must **exactly duplicate** these keying symbols. Failure to do so will result in the disapproval of your substitute tax forms. See **"Forms/Schedules That Require FTB Approval"** on page 8 for forms that may contain keying symbols. The placement, shape and size of keying symbols are shown in the example below. The actual symbols and their placement may change from year to year.

Source Code

Source code "04" identifies a form as being a computer-generated tax form. This is the source code you will use in the form's document ID. In addition, you must print source code "4" on Form 540EZ and Form 540NR as shown in the example below.

Final Forms on FTB's Internet Website

All final proofs of 1998 tax forms that you download and print from FTB's website (final proofs will be available in the CTP restricted directory and will be moved to the public access page in December) will include a document ID. This document ID will contain source code "09" (source code "09" will identify to the FTB that the form came from either FTB's website or CD-ROM). It is your responsibility to change the source code "09" to "04" at the time you add your company's three-digit ID.

> **For example:**
> Form 565, Side 1, on the Internet will have this document ID in: 56598109
> Form 565, Side 1, in a tax software product **must** have this document ID: **56598104613**
>
> This example includes all of the components that make up the document ID for Form 565, Side 1. The "613" is a fictitious CTP ID.

Margins

Your substitute tax forms must have margins on all sides at least as large as the margins on the official forms. Generally, margins on the official forms are 1/2" or larger.

Type Style

The FTB designs California tax forms using Helvetica type style in increments of 6 lines per inch and 10 strike zones per inch. Substitute tax forms must closely resemble the style and size of type used on the official forms.

Shading Requirements

The FTB shades specific areas on some California tax forms. Your substitute tax forms must be shaded in those areas. Failure to do so will result in the disapproval of your substitute tax forms. The exact placement may change from year to year.

Paper

Print substitute tax forms on good quality, white, standard stock machine paper. Use paper that is 8 1/2" x 11".

Ink

Use black ink.

Internal Control Numbers

Internal control numbers and symbols used by computerized processors to identify the taxpayer and tax practitioner may be shown on substitute tax forms. However, the taxpayer or representative must agree to the use of such numbers or symbols. If you use these numbers or symbols, **do not** print them in the top right margin of the substitute tax form. Print them in either the top left margin or the bottom margin below the registration mark. Also, if your company chooses to print these numbers in the bottom margin, **print them away from the document ID**.

Guidelines for Printing Taxpayer Entity Information for Forms 540EZ, 540NR and 540X

Use the following guidelines to program entity data (taxpayer's name and address area) on Form 540EZ, Form 540NR and Form 540X. Failure to do so will result in the disapproval of these substitute tax forms. **Note:** On these forms, the entity information does not need to begin on a specific line.

Asterisks in the Entity

Two asterisks (**) on line 1 of the entity indicate to FTB's key data operators that taxpayer entity information is **unchanged** from the previous year. In that case, FTB's key data operators only need to enter the last four digits of the taxpayer's social security number (SSN) and the first four letters of the taxpayer's last name. This saves the FTB time and prevents data entry errors. FTB's computer will then retrieve the complete name(s), address and SSN(s) for the taxpayer and the taxpayer's spouse, if any.

Users of your product may **only** print two asterisks (**) on line 1 of the entity area if the taxpayer (and taxpayer's spouse, if any):
- Filed a California Form 540, 540A, 540EZ, or 540NR return last year;
- Did not change the address from the one shown on last year's return;
- Has the same SSN as last year;
- Has the same name (first, middle and last) as last year;
- Has the same filing status as last year; and
- Is not deceased.

Note: Users of your product may **only** print two asterisks (**) on line 1 of the entity on Form 540X if all of the above conditions exist. Otherwise, they should **not** print the asterisks.

If the above conditions are not met or the taxpayer entity information has changed, do **not** print two asterisks (**) on line 1 of the entity area. Failure to follow these instructions may prevent updated information from being recorded on the taxpayer's file.

Taxpayer Entity Information Examples:

```
111-11-1111  MISS **              98          111-11-1111  WILL **  222-22-2222     98
LISA       A  MISSION                          ROBERT     J  WILLIAMS
                                               BARBARA    S  WILLIAMS

1234 STATE ST                                  9876 LONGNAME WY            APT   141
CROWN          CA  12345-6789                  WALLACE         CA  12345-6789

111-11-1111  TAXP **  222-22-2222   98         111-11-1111  SMIT               98
JOHN       Q  TAXPAYER                          ROBERT     J  SMITH         (DECD 12-10-98)
JANE       S  TAXPAYER
                                                                ROBERT ROBERTS
12345 SHORT ST                                 3452 BUSY DR          NO    5
ANYPLACE       CA  12345                       BORDERTOWN      CA  12345

111-11-1111  CART                 98
SUSAN      M  CARTOON

HOMESTYLE NURSING HOME
1234 BEAUTIFUL DR
WELCOME        CA  54321
```

Note: If there is no spouse name, leave that line blank. If there is no additional address or executor/guardian name, leave that line blank.

To reduce the instances where your user hears from a client about processing problems, include the following in your user's manual:
- Asterisks in the Entity on page 19; and
- Entry Instructions below.

Entry Instructions

- Alpha characters must be in upper case.
- Use no punctuation or symbols. **Note:** If a fraction is part of the street address, enter a forward facing slash (/). **Note:** This is the **only** symbol that may be used in the taxpayer name and address area.
- Monetary amounts. See "Monetary Amounts" on page 17 for specific information on how to enter.
- **Do not** space in the name control (first four letters of the taxpayer's last name) field.
- **Do not** include titles or ranks such as DR MD ENSIGN SGT etc.
- Use Roman numerals (alpha characters) for numeric suffixes.
- Never space in name field except for JR SR II etc.
- The SSN must be 11 digits (includes "-"). Enter "000-00-0000" in the SSN field if an individual has applied for or does not have an SSN.
- Use standard abbreviations for the suffix of the street name. See "Standard Abbreviations" on page 22.
- **Do not** enter apartment and apartment number/letter in the street address field. Enter in the designated "apartment" and "apartment number" fields. These fields are on the same line as the street address field. **Note:** Enter APT, BLDG, SP, STE, RM, FL, NO and UN in the "apartment" field.
- Additional address field is a supplemental field used for **only**: "in care of" name and additional address information.
- Military "APO" or "FPO" addresses:
  a) Enter "APO" or "FPO in the first three positions of the city field;
  b) **Do not** enter the name of the city for "APO" and "FPO" addresses; and
  c) Enter two-digit state code in the state field:

City Field	State Code	ZIP Code Range
APO	AA	34000-34099
APO	AE	09000-09899
FPO	AP	96200-96699

- In the state field, use the standard two-digit abbreviation for the state or the United States possession. See "State or U.S. Possessions Abbreviations" on page 22.
- If foreign address, enter country beginning in the state field.
- ZIP Code can be 10 digits (includes "-").
- Apply these guidelines, then truncate if the information exceeds the field length.

Note: To help eliminate those instances when the City, State and ZIP Code are entered into the City Field, add an error check at the end of the City Field for numeric characters.

Standard Abbreviations

AIR FORCE BASE	AFB	PARKWAY	PKY
APARTMENT	APT	PLACE	PL
AVENUE	AV	POST OFFICE BOX	PO BX
BOULEVARD	BL	ROAD	RD
BUILDING	BLDG	ROOM	RM
CIRCLE	CIR	SAN	SN
COURT	CT	SOUTH *	S
DEPARTMENT	DEPT	SOUTHEAST *	SE
DRIVE	DR	SOUTHWEST*	SW
EAST *	E	SPACE	SP
FLOOR	FL	SQUARE	SQ
HIGHWAY	HWY	STREET	ST
LANE	LN	SUITE	STE
NORTH *	N	TERRACE	TER
NORTHEAST *	NE	UNIT	UN
NORTHWEST *	NW	WAY	WY
NUMBER	NO	WEST *	W

* ABBREVIATE ONLY WHEN USED AS A DIRECTION.

State or U.S. Possessions Abbreviations

ALABAMA	AL	MONTANA	MT
ALASKA	AK	NEBRASKA	NE
AMERICAN SAMOA	AS	NEVADA	NV
ARIZONA	AZ	NEW HAMPSHIRE	NH
ARKANSAS	AR	NEW JERSEY	NJ
CALIFORNIA	CA	NEW MEXICO	NM
COLORADO	CO	NEW YORK	NY
CONNECTICUT	CT	NORTH CAROLINA	NC
DELAWARE	DE	NORTH DAKOTA	ND
DIST COLUMBIA	DC	NORTHERN MARIANA	MP
FEDERATED STATES OF	FM	ISLANDS	
MICRONESIA		OHIO	OH
FLORIDA	FL	OKLAHOMA	OK
GEORGIA	GA	OREGON	OR
GUAM	GU	PALAU	PW
HAWAII	HI	PENNSYLVANIA	PA
IDAHO	ID	PUERTO RICO	PR
ILLINOIS	IL	RHODE ISLAND	RI
INDIANA	IN	SOUTH CAROLINA	SC
IOWA	IA	SOUTH DAKOTA	SD
KANSAS	KS	TENNESSEE	TN
KENTUCKY	KY	TEXAS	TX
LOUISIANA	LA	UTAH	UT
MAINE	ME	VERMONT	VT
MARSHALL ISLANDS	MH	VIRGIN ISLANDS	VI
MARYLAND	MD	VIRGINIA	VA
MASSACHUSETTS	MA	WASHINGTON	WA
MICHIGAN	MI	WEST VIRGINIA	WV
MINNESOTA	MN	WISCONSIN	WI
MISSISSIPPI	MS	WYOMING	WY
MISSOURI	MO		

Guidelines for Developing Substitute Schedule K-1s (565)

Tax software developers, professional preparers, transfer agents and others who choose to develop substitute Schedule K-1s (565) in a paper or magnetic media format (CD-ROM, diskette or magnetic tape) must complete and return to the FTB form FTB 1096, Agreement to Comply with FTB Pub. 1098.

If you choose to develop Schedule K-1s (565) that are transferable to a cartridge or magnetic tape, you must submit a test file to FTB to ensure process compatibility. If you submit Schedule K-1s (565) via a CD-ROM or diskette, you must submit a test file or use FTB's K-1 TestWare before you submit the Schedule K-1s (565) to the FTB. (K-1 TestWare validates your files and enables you to send error free files.) For more information about how to develop substitute magnetic media Schedule K-1s (565), get FTB Pub.1062, Guide for K-1 (565) Filing by CD-ROM, Diskette or Magnetic Media. This publication and the K-1 TestWare are both available on FTB's website or you may call the e-file Help Desk at (916) 845-0353.

Note: Paper substitute Schedule K-1s (565) may be either a one-sided or two-sided format. The one-sided format requires only tax data lines (line 1 through line 22 and tables) that are applicable to the taxpayer to print. The two-sided format will print all data lines. Both require review and approval before releasing to customers and clients.

Claiming Additional Credits on Personal and Business Entity Tax Forms

Forms 540 and 540NR

Use the following to program additional credits in your company's personal entity software products. If the personal entity taxpayer claims only one or two credits, the credit name, code number (use credit acronym and code number shown on page 31) and amount should print on the applicable lines of Forms 540 and 540NR. When a taxpayer claims credits on Schedule P (540 or 540NR) and the credit is listed in more than one section, total column (b) of the credits that have the same code numbers and bring the total forward to the applicable line of the form being filed.

If the personal entity taxpayer has any other credits to claim on Schedule P (540 or 540NR), add the amounts from column (b) for those credits and bring the total forward to the applicable line of the form being filed. It's not sufficient to print "See Schedule P" or "Schedule P Attached" in the "credits" area on the return. The credits **must** be brought forward to the applicable lines of the form being filed. It is also unacceptable to use the "more than two credits" line or the "total credits" line if the individual credit lines are blank.

Forms 100 and 100S

Use the following to program additional credits in your company's business entity software products. If the business entity taxpayer claims only one, two or three credits, the credit name, code number (use credit acronym and code number shown on page 31) and amount should print on the applicable lines of Forms 100 or 100S. When a taxpayer claims credits on Schedule P (100) and the credit is listed in more than one section, total column (b) of the credits that have the same code numbers and bring the total forward to the applicable line of the form being filed.

If the business entity taxpayer has any other credits to claim on Schedule P (100), add the amounts from column (b) for those credits and bring the total forward to the applicable line of the form being filed. It's not sufficient to print "See Schedule P" or "Schedule P Attached" in the "credits" area on the return. The credits **must** be brought forward to the applicable lines of the form being filed. It is also unacceptable to use the "more than three credits" line or the "total credits" line if the individual credit lines are blank.

SCANNABLE FORM 540 AND FORM 540A

Introduction

These guidelines are for computerized tax processors, tax software developers, computer programmers and others who develop software that produces scannable Forms 540 and 540A. FTB will use its IADC system to process refund or no amount due (non-remit) scannable forms and its new MARCS System to process balance due returns received with payment attached (remit).

Scannable Forms 540 and 540A will be the only computer-prepared format of Form 540, California Resident Income Tax Return, and Form 540A, California Resident Income Tax Return, that the FTB will approve. The FTB will provide an alternative, on a case by case basis, for those companies who cannot develop scannable forms. However, this will not apply to those companies who developed 1997 scannable forms.

Tax practitioners who want to computer prepare scannable Forms 540 and 540A for their clients will need to use:
- The software you develop that produces FTB approved scannable Forms 540 and 540A;
- The personal computer hardware that your software requires to produce your company's FTB approved scannable Forms 540 and 540A (i.e., font cartridges, etc.);
- The instructions you provide to produce accurate scannable Forms 540 and 540A;
- The "Asterisks in the Entity" guidelines and "Entry Instructions" for entity data; and
- The FTB approved overlay, if needed.

Guidelines for Preparing Scannable Tax Forms

Because of legislative changes, equipment innovations and procedural improvements, these guidelines are subject to change.

Instructional Text

Same as substitute tax forms. See page 17.

Monetary Amounts

Monetary lines in the conventional areas of scannable Forms 540 and 540A must include the vertical rule ("penny line") that separates dollars from cents. However, if your tax software program prints a decimal point following the dollar amount, you may remove the vertical rule. **Please indicate this in your forms review package cover letter**. **Note:** Monetary amounts in the scanband of scannable Forms 540 and 540A **must** be dollars only with no decimal points or other punctuation.

Tax software may be programmed to omit printing the cents of monetary amounts in the conventional areas of scannable Forms 540 and 540A. However, all monetary amounts entered must follow a consistent format.
Note: Companies are strongly urged to round figures to whole dollar amounts. This follows the official return instructions.

Tax software developers who use another company's forms that include the vertical rule **must** hard code "00" to print on each voluntary contribution line.

You may program your software to print a "12 position" dollar amount (includes commas and decimal point) in the "**conventional**" area on all California personal income tax forms. FTB's Tandem and MARCS systems will output 11 positions; no punctuation. Example: 000,000,000. will be processed as: 000000000

Unless a specific line instruction requires a zero (-0-), leave the conventional line blank when there is no entry. **Do not** print the word "NONE."

Negative Amounts

Program negative monetary amounts to print in the scanbands as shown below. Do not use brackets in the scanband.

(a)   -549

Layout

See the specifications for each scannable form.

CTP ID

Same as substitute tax forms. See page 18.

Keying Symbols

The conventional area of scannable Forms 540 and 540A must include the keying symbols.

Source Code

Same as substitute tax forms. See page 19. Also see **"Final Forms on FTB's Internet Website"** on page 19.

Margins

For scannable Forms 540 and 540A, the margins are the same as substitute tax forms. See page 19.

Type Style

The FTB designs California tax forms using Helvetica type style in increments of 6 lines per inch and 10 strike zones per inch. The conventional parts of scannable Forms 540 and 540A must closely resemble the style and size of type used on the official forms.

Shading Requirements

There is no shading on scannable forms.

Paper

Print scannable tax forms on good quality, white, standard stock machine paper. Use paper that is 8 1/2" x 11".

Ink

Use black ink.

Internal Control Numbers

Same as substitute tax forms. See page 20.

Printing

All printing must be:
- Laser, daisy wheel or "letter quality" dot matrix.
- Courier, standard OCR-A font or "standard print" font. **Do not** use bold font.
- 10 pitch (pica spacing).
- Original printed output (no corrections).
- On one side of the paper (no duplexing).
- 6 lines per inch.
- Alpha characters must be in upper case.

Note: If an overlay is required to produce FTB approved scannable form(s), it must include the required graphics (i.e., patch and keying symbols) and grid marks for correct placement of graphics.

How to Program the Scannable Patch

Use the Kodak, Patch Code II, specifications (distributed by the FTB in 1993) to program your patch for scannable Forms 540 and 540A. If your company did not develop scannable forms in 1993, please request a copy of the Kodak, Patch Code II, specifications by calling (916) 845-3553.

The scannable patch is a pattern of parallel alternating black bars and spaces. To program correctly, follow these specifications:
- Horizontal and vertical placement of the patch is critical for proper operation.
  - Patch **must** appear with the bars parallel to the leading center of the scannable form;
  - The beginning of the patch **must** start on print line 4 at position 33 for a length of 20 positions (2 inches);
  - There **must** be at least 0.20 inches (5mm) of space between the patch and any other printed information; and
  - The patch **may not** exceed print line 8.

How to Print the Scannable Patch

1) Print the patch **only** on Side 1 of the scannable form.
2) The ink used **must** be carbon-based black or equivalent.

Document ID

The document ID is required on scannable Forms 540 and 540A. See **"Registration Marks and Document ID Specifications for Use on California 1998 Tax Forms"** on page 10 and **"Samples of Registration Marks and Document ID Placement"** on page 11 for more information.

Guidelines for Printing Taxpayer Entity Information for Scannable Forms 540 and 540A

Use the following guidelines to print entity data (taxpayer's name and address area) on scannable Forms 540 and 540A. Failure to do so will result in the disapproval of your scannable tax forms.

Asterisks in the Entity

Two asterisks (**) on print line 10 of the entity indicate to FTB that taxpayer entity information is **unchanged** from the previous year.

Users of your product may **only** print two asterisks (**) on print line 10 of the entity area if the taxpayer (and taxpayer's spouse, if any):

- Filed a California Form 540, 540A, 540EZ or 540NR return last year;
- Did not change the address from the one shown on last year's return;
- Has the same SSN as last year;
- Has the same name (first, middle and last) as last year;
- Has the same filing status as last year; and
- Is not deceased.

If the above conditions are not met or the taxpayer entity information has changed, do **not** print two asterisks (**) on print line 10 of the entity area. Failure to follow these instructions may prevent updated information from being recorded on the taxpayer's file.

Taxpayer Entity Information Examples:

```
111-11-1111  MISS **              98
LISA       A  MISSION


1234 STATE ST
CROWN           CA  12345-6789
```

```
111-11-1111  TAXP **  222-22-2222    98
JOHN       Q  TAXPAYER
JANE       S  TAXPAYER

12345 SHORT ST
ANYPLACE        CA  12345
```

```
111-11-1111  CART                98
SUSAN      M  CARTOON

HOMESTYLE NURSING HOME
1234 BEAUTIFUL DR
WELCOME         CA  54321
```

```
111-11-1111  WILL **  222-22-2222    98
ROBERT     J  WILLIAMS
BARBARA    S  WILLIAMS

9876 LONGNAME WY           APT   141
WALLACE         CA  12345-6789
```

```
111-11-1111  SMIT                98
ROBERT     J  SMITH         (DECD 12-10-98)

                      ROBERT ROBERTS
3452 BUSY DR          NO   5
BORDERTOWN      CA  12345
```

Note: If there is no spouse name, leave that line blank. If there is no additional address or executor/guardian name, leave that line blank.

To reduce the instances where your user hears from a client about processing problems, include the following in your user's manual:
- Asterisks in the Entity on page 20.
- Entry Instructions below.
- Mailing and Assembly Instructions for Scannable Forms 540 and 540A on page 29.

Entry Instructions
- Alpha characters must be in upper case.
- Use no punctuation or symbols. **Note:** If a fraction is part of the street address, enter a forward facing slash (/). **Note:** This is the **only** symbol that may be used in the taxpayer name and address area.
- Monetary amounts. See "Monetary Amounts" on page17 for specific information on how to enter.
- **Do not** space in the name control (first four letters of the taxpayer's last name) field.
- **Do not** include titles or ranks such as DR MD ENSIGN SGT etc.
- Use Roman numerals (alpha characters) for numeric suffixes.
- Never space in name field except for JR SR II etc.
- The SSN must be 11 digits (includes "-"). Enter "000-00-0000" in the SSN field if an individual has applied for or does not have an SSN.
- Use standard abbreviations for the suffix of the street name. See Standard Abbreviations on page 22.
- **Do not** enter apartment and apartment number/letter in the street address field. Enter in the designated "apartment" and "apartment number" fields. These fields are on the same line as the street address field. **Note:** Enter APT, BLDG, SP, STE, RM, FL, NO and UN in the "apartment" field.
- Additional address field is a supplemental field used for **only**: "in care of" name and additional address information.
- Military "APO" or "FPO" addresses:
  - Enter "APO" or "FPO" in the first three positions of the city field;
  - **Do not** enter the name of the city for "APO" and "FPO" addresses; and
  - Enter two-digit state code in the state field:

City Field	State Code	ZIP Code Range
APO	AA	34000-34099
APO	AE	09000-09899
FPO	AP	96200-96699

- In the state field, use the standard two-digit abbreviation for the state or the United States possession. See State or U.S. Possessions Abbreviations on page 22.
- If foreign address, enter country beginning in the state field.
- ZIP Code can be 10 digits (includes "-").
- Apply these guidelines, then truncate if the information exceeds the field length.

Note: To help eliminate those instances when the City, State and ZIP Code are entered into the City Field, add an error check at the end of the City Field for numeric characters.

Mailing and Assembly Instructions for Scannable Forms 540 and 540A

- Submit original scannable form (**no** labels, duplexing (double-sided copies), photocopies or corrections). **Note:** If an overlay is used, be sure to follow the overlay instructions. This will help ensure correct placement of the scannable graphic patch, taxpayer's name and address information and taxpayer's tax data.
- Sign the scannable form in the space provided. If a joint return, spouse's signature is required.
- **Staple** "state" copy of Form(s) W-2, W-2G and 1099-R to the front of Side 1 in the area below the words "Step 4, Taxable Income."
- Make check or money order payable to the "Franchise Tax Board" for the full amount. Write the taxpayer's social security number and "1998 Form 540" or "1998 Form 540A" on it.
- **Staple** check or money order to the front of Side 1 on scannable Forms 540 and 540A in the area below the words "Step 3, Exemptions."
- **Do not** attach the federal return to scannable Form 540A.
- When required, staple federal forms and California supporting forms/schedules to the back of scannable Form 540.
- **Staple** special handling forms (FTB 3595, FTB 5805, FTB 5805F, etc.) to the front of Side 1 in the upper-left hand corner.
- **Staple** entire return together in the upper-left hand corner.

Mailing Addresses for Scannable Forms 540 and 540A

Mail **REFUND or NO AMOUNT DUE** returns to:	Mail **BALANCE DUE** returns to:
IMAGE PROCESSING FRANCHISE TAX BOARD PO BOX 942840 SACRAMENTO CA 94240-**0009**	FRANCHISE TAX BOARD PO BOX 942867 SACRAMENTO CA 94267-0001

GUIDELINES FOR SCANNABLE FORM 540

How Must the Form 540 Scannable Band Appear?

The scannable band is a fixed format located on Side 1. The two-digit line numbers in the scanband correspond to the calculation line numbers in the conventional area of Form 540:

- Entries will be in four columns;
- Courier, standard OCR-A font or "standard print" font. **Do not** use bold font;
- 10 pitch (pica spacing);
- The first column will start at line 19 at position 8, for a width of 14 printed positions;
- There **must** be 4 spaces between columnar format;
- The width of the 4 columns **must** be 14 printed positions;
- Right justify all dollar amounts and numeric entries. Omit leading zeros;
- Print "0" in fields that contain no data. **Do not** print NONE;
- All monetary entries **must** be positive and in dollars only. **NO** decimal points, commas, or other symbols or punctuation. **EXCEPTION**: For negative amounts on line 17, use a minus sign ("-") to precede the first digit. **Do not** use brackets;
- "0" will indicate "No" and "1" will indicate "Yes" for field numbers "06", "3800", "3803", "CATMT", SCHG1", "5870A" and "5805 5805F";
- Tax preparer ID number (FEIN) (print line 26). Right justify, no dashes. **Mandatory**, professional products only;
- For field "APE", "0" will indicate a calendar year end and "MMYY" will indicate a fiscal year end (month and year);
- Use field numbers 28 and 29 for the credits shown on page 31. The credit amount **must** have a three-digit numeric code preceding the dollar amount. The acronym name and code number should print on the applicable lines in the conventional area of Form 540. For example, "17320" designates a Dependent Parent credit of $20;
- Use field number 31 for the nonrefundable renter's credit.

When to Check the "CA TMT limit" Box on Scannable Form 540, Line 21

The purpose of the check boxes is solely to tell FTB processing why a limited amount was entered on line 21.

- If the exemption credit is limited by TMT check the "CA TMT limit" box and print a "1" in the scanband after CATMT.
- If the exemption credit is not limited by TMT do not check the "CA TMT limit" box and print "0" in the scanband after CATMT.

Credit Names, Acronyms and Code Number List

Include this list in your user's manual.   *PIT = Personal Income Tax   *B&C = Bank and Corporation Tax

Credit Name	Acronym	Code	PIT*	B&C*
Child Adoption	CHILD ADOPT	197	X	
Community Development Financial Institution Deposits	CDFI DEPOSIT	209	X	X
Dependent Parent	DEP PARENT	173	X	
Disabled Access	DSABL ACCESS	205	X	X
Donated Agricultural Products Transportation	DONATE AGTRN	204	X	X
Employer Child Care Contribution	CHLDCARE CTB	190	X	X
Employer Child Care Program	CHLDCARE PRG	189	X	X
Enhanced Oil Recovery	ENHNC OILREC	203	X	X
Enterprise Zone Employee	E/Z EMPLE	169	X	
Enterprise Zone Hiring & Sales or Use Tax	E/Z HIRE/USE	176	X	X
Farmworker Housing				
New Construction/Rehabilitation	F/W HS CONST	207	X	X
New Construction/Rehabilitation Loans	F/W HS LOAN	208		X
Joint Custody Head of Household	JT CSTDY HOH	170	X	
Los Angeles Revitalization Zone Hiring & Sales or Use Tax Credit	LARZ HRE/USE	159	X	X
Low-Income Housing	LOW-INC HOUS	172	X	X
Manufacturers' Investment	MFG INVSTMNT	199	X	X
Manufacturing Enhancement Area (MEA) Hiring	MEA HIRE	211	X	X
Nonrefundable Renter's	NONE	NONE	X	
Other State Tax	OTHER STATE	187	X	
Prior Year Alternative Minimum Tax	PRIOR YR AMT	188	X	X
Prison Inmate Labor	INMATE LABOR	162	X	X
Program Area Hiring & Sales or Use Tax	P/A HIRE/USE	177	X	X
Research	RESEARCH	183	X	X
Rice Straw	RICE STRAW	206	X	X
Salmon & Steelhead Trout Habitat Restoration	SALMON/TROUT	200	X	X
Senior Head of Household	SR HOH	163	X	
Targeted Tax Area (TTA) Hiring & Sales or Use Tax	TTA HIRE/USE	210	X	X

Repealed Credits With Carryover Provisions	Acronym	Code	PIT*	B&C*
Agricultural Products	AGRI PRODUCT	175	X	X
Commercial Solar Electric System	COMSLR EL CO	196	X	X
Commercial Solar Energy Credit Carryover	COM SLR NRG	181	X	X
Contribution of Computer Software*	CTB COMPSOFT	202		X
Employee Ridesharing:				
Employee Vanpool Program	R/S EMPLE VN	194	X	
Employer Ridesharing:				
Large Employer Program	R/S LG EMPLR	191	X	X
Small Employer Program	R/S SM EMPLR	192	X	X
Employer Subsidized Public Transit Passes	R/S TRANSIT	193	X	X
Energy Conservation	NRG CSRV CO	182	X	X
Low-Emission Vehicles	LOW-EMS VHCL	160	X	X
Local Agency Military Base Recovery Area (LAMBRA) Hiring & Sales or Use Tax	LAMBRA HR/US	198	X	X
Orphan Drug	ORPHN DRG CO	185	X	X
Political Contributions	POLTCL CTB	184	X	
Recycling Equipment	RCYCL EQUIP	174	X	X
Residential Rental & Farm Sales	RES RNT/FARM	186	X	
Ridesharing	R/S CO	171	X	X
Solar Energy	SLR NRG CO	180	X	X
Solar Pump	SLR PUMP CO	179	X	X
Technological Property Contribution*	TECHPROP CTB	201		X
Water Conservation	WATRCSRV CO	178	X	
Young Infant	YNG INFNT CO	161	X	

Submitting Scannable Form 540 and Scannable Form 540 Overlay for Approval Checklist

Scannable Form 540
Entity Data Placement
To get entity data placement approval, submit returns that:
- ❏ Follow "Entry Instructions" on page 28
- ❏ Print the asterisks (see "Asterisks in the Entity" on page 27)
- ❏ Do **not** print the asterisks (see "Asterisks in the Entity" on page 27)
- ❏ Maximize all entity fields. PLEASE DO NOT FILL FIELDS WITH "Xs." If your software does not support the maximum entity field size, indicate the supported field size in your cover letter.
- ❏ Have all fields in the correct location (see "Scannable Form 540 Specifications" that begins on page 34)
- ❏ Check the "Yes" box for Federal Return Attachment Required
- ❏ Check the "No" box for Federal Return Attachment Required

Scanband Data Placement
To get scanband data placement approval, submit returns that:
- ❏ Follow "How Must the Form 540 Scannable Band Appear?" on page 30
- ❏ Have all fields in the correct location (see "Scannable Form 540 Specifications" that begins on page 34)
- ❏ Have matching amounts in the scanband and conventional form lines
- ❏ Have a fiscal year filer*
- ❏ Have a calendar year filer
- ❏ Have a positive amount on line 17
- ❏ Have a negative amount on line 17 (DO NOT USE BRACKETS)*
- ❏ Print example of CATMT box checked (see page 30)
- ❏ Print example of CATMT box not checked (see page 30)
- ❏ Have entries (other than -0-) on line 28 and line 29 (include 3 digit credit code)* (see page 31)
- ❏ Have entry (other than -0-) on line 31
- ❏ Print "1" in at least one of the check off boxes (i.e., 3800, 3803, CATMT, SCHG1, 5870A and 5805 5805F)*
- ❏ Print example of tax preparer ID (FEIN) (print line 26) - **Mandatory**, professional products only

Line Geometry
- ❏ Bold line at vertical position (print position) 6 through 80 and horizontal position (print line) 17
- ❏ Bold line at vertical position (print position) 6 through 80 and horizontal position (print line) 33
- ❏ Bottom registration mark (2-point rule) line at vertical position (print positions 5-28; 30-35; 50-55; 57-80 and print line 62
- ❏ Bottom registration mark (2-point rule) line at vertical positions 35 and 50 and print line 62; end at print line 63
- ❏ Follows "Samples of Registration Marks and Document ID Placement" on page 11

Patch
- ❏ Patch at vertical position (print position) 33 through 52 and horizontal position (print line) 4 through 8
- ❏ Follows "How to Program the Scannable Patch and How to Print the Scannable Patch" that begins on page 26

Conventional Form
- ❏ Vertical rule (penny line) shown on form. If product does not support the vertical rule, then the cover letter **must** indicate that the product will always print a decimal point.
- ❏ Follows "Guidelines for Preparing Scannable Tax Forms" that begins on page 24

Keying Symbols and Source Code
- ❏ Follows "Guidelines for Preparing Scannable Tax Forms" that begins on page 24

Scannable Form 540 Overlay
To get overlay approval, submit materials needed to create a Scannable Form 540 tax return (i.e., overlay, overlay instructions and tax return data).

*   If your software does not support this item, indicate so in your cover letter.

This Page Left Blank for Notes

Scannable Form 540 Specifications

Definitions:	ALPHA	=	A-Z (MUST BE ALL CAPS)
	NUMERIC	=	0-9
	ALPHANUMERIC	=	A-Z, 0-9
	LEFT JUSTIFY	=	LJ

Print Line Number	Identification	Begin Print Position	Maximum Field Length	End Print Position	Field Description
1 - 3	Blank	-	-	-	-
4	Title of Form and Tax Year Area	6	25	30	conventional form size/style
4	Patch Area	33	20	52	use Kodak patch code specifications
5	Title of Form and Tax Year Area	6	25	30	conventional form size/style
5	Patch Area	33	20	52	use Kodak patch code specifications
5	Form Identifier (540) Area	71	5	75	conventional form size/style
6	Title of Form and Tax Year Area	6	25	30	conventional form size/style
6	Bold Line	6	25	30	-
6	Patch Area	33	20	52	use Kodak patch code specifications
6	Form Identifier (540) Area	71	5	75	conventional form size/style
6	Bold Line	55	26	80	-
7	Account Period Ending	6	3	8	"APE"
7	Fiscal Year Beginning	10	8	17	MM-DD-YY or leave blank
7	Fiscal Year Ending	20	8	27	MM-DD-YY or leave blank
7	Patch Area	33	20	52	use Kodak patch code specifications
7	Federal Return Attachment Area (optional field, mandatory language. See page 43 for language).	55	25	79	conventional form size/style
8	Patch Area	33	20	52	use Kodak patch code specifications
8	Federal Return Attachment Area (optional field, mandatory language. See page 43 for language).	55	25	79	conventional form size/style
9	Do Not Attach Label Area	6	6	11	conventional form size/style
10	Do Not Attach Label Area	6	6	11	conventional form size/style
10	Taxpayer's SSN (mandatory)	16	11	26	Numeric, "-"
10	Name Control (First Four Letters of Last Name) (mandatory)	29	4	32	Alpha, No Embedded Spaces No symbols or punctuation
10	If taxpayer name and address information is unchanged from previous year, enter "**" otherwise, leave blank (mandatory)	34	2	35	"**"
10	If Joint Return, Spouse's SSN (mandatory)	38	11	48	Numeric, "-"
10	Form Year Indicator (mandatory)	54	2	55	"98"
10	PACARRP Box Area	69	12	80	conventional form size/style
11	Do Not Attach Label Area	6	6	11	conventional form size/style
11	Taxpayer's First Name (mandatory)	16	11	26	Alpha, No Embedded Spaces
11	Taxpayer's Middle Initial	29	1	29	Alpha
11	Taxpayer's Last Name (mandatory)	32	17	48	Alpha

Scannable Form 540 Specifications

Definitions:	ALPHA	=	A-Z (MUST BE ALL CAPS)
	NUMERIC	=	0-9
	ALPHANUMERIC	=	A-Z, 0-9
	LEFT JUSTIFY	=	LJ

Print Line Number	Identification	Begin Print Position	Maximum Field Length	End Print Position	Field Description
11	If Deceased, Enter "DECD" and Date of Death (mandatory)	51	15	65	Alphanumeric, "(DECD mm-dd-yy)"
11	PACARRP Box Area	69	12	80	conventional form size/style
12	If Joint Return, Spouse's First Name (mandatory)	16	11	26	Alpha, No Embedded Spaces
12	If Joint Return, Spouse's Middle Initial	29	1	29	Alpha
12	If Joint Return, Spouse's Last Name (mandatory)	32	17	48	Alpha
12	If Joint Return, Spouse is Deceased, Enter "DECD" and Date of Death (mandatory)	51	15	65	Alphanumeric, "(DECD mm-dd-yy)"
12	PACARRP Box Area	69	12	80	conventional form size/style
13	Step 1 Name and Address Area	6	6	11	conventional form size/style
13	Additional Address	16	30	45	Alphanumeric
13	Executor/Guardian	48	17	64	Alphanumeric
13	PACARRP Box Area	69	12	80	conventional form size/style
14	Step 1 Name and Address Area	6	6	11	conventional form size/style
14	Street Address (mandatory)	16	30	45	Alphanumeric
14	APT, STE, SP, RM, FL, BLDG, UN and NO	48	5	52	Alpha, LJ
14	Number or Letter (No symbols)	54	5	58	Alphanumeric, LJ
14	PACARRP Box Area	69	12	80	conventional form size/style
15	Step 1 Name and Address Area	6	6	11	conventional form size/style
15	City (mandatory)	16	17	32	Alphanumeric
15	State – see page 22 for abbreviations (mandatory)	35	2	36	Alpha
15	If Foreign Address	35	19	53	Alphanumeric
15	ZIP Code	39	10	48	Numeric, "-", LJ
15	PACARRP Box Area	69	12	80	conventional form size/style
16	Step 1 Name and Address Area	6	6	11	conventional form size/style
16	Bold Line	6	75	80	-
16	PACARRP Box Area	69	12	80	conventional form size/style
17 – 33	540 Scanband – see specifications that begin on page 37	-	-	-	-
34 – 61	Conventional Form 540	-	-	-	-
62	Registration Mark (2-point rule) at positions 5-28; 30-35; 50-55; and 57-80	5	75	80	bottom line registration mark
63	Registration Mark, document ID * and conventional Form 540	-	-	-	end of bottom registration mark, document ID and conventional form size/style

* Center document ID between positions 35 and 50 of the bottom registration mark. Use Courier font 12 point (10 pitch), **not** bold.

Scannable Form 540 Specifications

Definitions:	ALPHA	=	A-Z (MUST BE ALL CAPS)
	NUMERIC	=	0-9
	ALPHANUMERIC	=	A-Z, 0-9
	LEFT JUSTIFY	=	LJ

Print Line Number	Identification	Begin Print Position	Maximum Field Length	End Print Position	Field Description

Note: If there is no spouse name, leave the applicable fields in print line number 12 blank. If there is no additional address or executor/guardian name, leave the applicable fields in print line number 13 blank.

Form 540 Scannable Band Specifications (Side 1)

Definitions:	NUMERIC	=	0-9
	"1"	=	Indicates a box that has been checked. Exception: field No. 01 (filing status) will indicate the number of the box that has been checked.
	"0"	=	Will indicate no response.
	RIGHT JUSTIFY	=	RJ

Print Line Number	Identification	Begin Print Position	Mandatory Print Field	Begin Field Position	Maximum Field Length	Field Description
17	"FOR COMPUTERIZED USE ONLY"	-	-	-	21	Alpha, Center Justify
17	Bold line	6	-	-	75	-
18	Blank	-	-	-	-	-
19	Filing Status	8	"01"	21	1	"1", "2", "3", "4", or "5"
19	Claiming more than two credits	26	"30"	31	9	Numeric
19	CA Fund for Senior Citizens	44	"49"	49	9	Numeric
19	APE	62	"APE"	72	4	"0", "MMDDYY"
20	Claimed as a Dependent on Another Return	8	"06"	21	1	"0", "1"
20	Nonrefundable Renter's Credit	26	"31"	37	3	Numeric
20	Rare/Endangered Species Program	44	"50"	49	9	Numeric
20	3800 Attached Box	62	"3800"	75	4	"0", "1"
21	Senior Exemption	8	"09"	21	1	"1", "2"
21	Alternative Minimum Tax	26	"35"	31	9	Numeric
21	Children's Trust Fund/Prevention of Child Abuse	44	"51"	49	9	Numeric
21	3803 Attached Box	62	"3803"	75	1	"0", 1"
22	Number of Dependents	8	"11"	20	2	Numeric
22	Other Taxes and Credit Recapture	26	"36"	31	9	Numeric
22	CA Breast Cancer Research Fund	44	"52"	49	9	Numeric
22	CATMT Box	62	"CATMT"	75	1	"0", "1"
23	State Wages Form(s) W-2	8	"12"	13	9	Numeric
23	Total Tax	26	"37"	31	9	Numeric
23	CA Firefighters' Memorial Fund	44	"53	49	9	Numeric
23	Schedule G-1 Attached Box	62	"SCHG1"	75	1	"0", "1"
24	CA Adjustments - Subtractions	8	"14"	13	9	Numeric
24	CA Income Tax Withheld	26	"38"	31	9	Numeric
24	CA Public School Library Protection Fund	44	"54"	49	9	Numeric
24	5870A Attached Box	62	"5870A"	75	1	"0", "1"
25	CA Adjustments - Additions	8	"16"	13	9	Numeric
25	1998 CA Estimated Tax and Amount Applied from 1997 Return. Include Amounts from FTB 3519 or Schedule K-1 (541).	26	"39"	31	9	Numeric
25	D.A.R.E. CA (Drug Abuse Resistance Education) Fund	44	"55"	49	9	Numeric
25	5805 5805F Attached Box	62	"5805 5805F"	75	1	"0", "1"
26	CA Adjusted Gross Income	8	"17"	13	9	Numeric

Form 540 Scannable Band Specifications (Side 1)

Definitions:	NUMERIC	=	0-9
	"1"	=	Indicates a box that has been checked. Exception: field No. 01 (filing status) will indicate the number of the box that has been checked.
	"0"	=	Will indicate no response.
	RIGHT JUSTIFY	=	RJ

Print Line Number	Identification	Begin Print Position	Mandatory Print Field	Begin Field Position	Maximum Field Length	Field Description
26	Excess CA SDI or VPDI Withheld	26	"41"	31	9	Numeric
26	CA Military Museum Fund	44	"56"	49	9	Numeric
26	Tax Preparer ID (FEIN) (Mandatory, professional products only)	-	-	67	9	Numeric, no dashes, RJ
27	Standard/Itemized Deductions	8	"18"	13	9	Numeric
27	Overpaid Tax	26	"43"	31	9	Numeric
27	CA Mexican American Veterans' Fund	44	"57"	49	9	Numeric
28	Tax	8	"20"	13	9	Numeric
28	Overpaid Tax Applied to 1999 Estimated Tax	26	"44"	31	9	Numeric
28	Emergency Food Assistance Program Fund	44	"58"	49	9	Numeric
29	Exemption Credits	8	"21"	13	9	Numeric
29	Overpaid Tax Available This Year	26	"45"	31	9	Numeric
29	Total Contributions	44	"59"	49	9	Numeric
30	Tax from Sch. G-1 and from FTB 5870A	8	"23"	13	9	Numeric
30	Tax Due	26	"46"	31	9	Numeric
30	Refund or No Amount Due	44	"60"	49	9	Numeric
31	Credit	8	"28"	13	9	Numeric
31	CA Seniors Special Fund	26	"47"	37	3	Numeric
31	Amount You Owe	44	"61"	"49"	9	Numeric
32	Credit	8	"29"	13	9	Numeric
32	Alzheimer's Disease/Related Disorders Fund	26	"48"	31	9	Numeric
32	Underpayment of Estimated Tax	44	"63"	49	9	Numeric
33	Bold line	6	-	-	75	-

Scannable Form 540 Record Layout (with asterisks)

Note: Record Layout is Reduced

Title of form and tax year

Patch

540

FEDERAL RETURN ATTACHMENT REQUIRED
☐ YES ☐ NO

APE MM-DD-YY MM-DD-YY

DO NOT ATTACH LABEL

Step 1 Name and Address

PSSNXXXXXXX NCTL ** SSSNXXXXXXX
PFIRSTNAMEX X FLASTNAMEXXXXXXXXX
SFIRSTNAMEX X SLASTNAMEXXXXXXXXX
ADDITIONALADDRESSXXXXXXXXXXXXXX
STREETADDRESSXXXXXXXXXXXXXXXXX APTXX NOXXX
CITYXXXXXXXXXXXXX ST ZIPCODEXXX

98

Do Not Write In These Spaces
P
AC
A
R
BP

FOR COMPUTERIZED USE ONLY

01		30	000000000	49	00000000
06		31	000	50	00000000
09		35	000000000	51	00000000
11		36	000000000	52	00000000
12	000000000	37	000000000	53	00000000
14	000000000	38	000000000	54	00000000
16	000000000	39	000000000	55	00000000
17	000000000	41	000000000	56	00000000
18	000000000	43	000000000	57	00000000
20	000000000	44	000000000	58	00000000
21	000000000	45	000000000	59	00000000
23	000000000	46	000000000	60	00000000
28	000000000	47	000	61	00000000
29	000000000	48	000000000	63	00000000

APE 0000
3800 0
3803 0
CATMT 0
SCHG1 0
5870A 0
5805 5805F 0
000000000

This Page Left Blank For Notes

Scannable Form 540 Record Layout (without asterisks)

Note: Record Layout is Reduced

Title of form and tax year

Patch

540

FEDERAL RETURN ATTACHMENT REQUIRED:
☐ YES ☐ NO

APE MM-DD-YY MM-DD-YY

DO NOT ATTACH LABEL

Do Not Write In These Spaces

Step 1
Name and Address

PSSNXXXXXXX NCTL SSSNXXXXXXX 98
PFIRSTNAMEX X PLASTNAMEXXXXXXXX (DECD MM-DD-YY)
SFIRSTNAMEX X SLASTNAMEXXXXXXXX (DECD MM-DD-YY)
ADDITIONALADDRESSXXXXXXXXXXXXX EXECUTORXXXXXXXX
STREETADDRESSXXXXXXXXXXXXXX APTXX NOXXX
CITYXXXXXXXXXXXXX ST ZIPCODEXXX

P
AC
A
B
BP

FOR COMPUTERIZED USE ONLY

01	0	30	0000000000	49	00000000
06	0	31	000	50	00000000
09	0	35	0000000000	51	00000000
11	00	36	0000000000	52	00000000
12	00000000	37	0000000000	53	00000000
14	00000000	38	0000000000	54	00000000
16	00000000	39	0000000000	55	00000000
17	00000000	41	0000000000	56	00000000
18	00000000	43	0000000000	57	00000000
20	00000000	44	0000000000	58	00000000
21	00000000	45	0000000000	59	00000000
23	00000000	46	0000000000	60	00000000
28	00000000	47	000	61	00000000
29	00000000	48	0000000000	63	00000000

APE 0000
3800 0
3803 0
CATMT 0
SCHG1 0
5870A 0
5805 5805F 0
00000000

This Page Left Blank For Notes

Scannable Form 540 Example Side 1

Note: Example is Reduced

California Resident Income Tax Return 1998

540

FEDERAL RETURN ATTACHMENT REQUIRED:
☐ YES ☒ NO

APE 02-01-97 01-31-98

DO NOT ATTACH LABEL

999-99-0001 JONE ** 999-99-0002 98

JOHN J JONES
MARY M SMITH

Do Not Write In These Spaces
P
AC
A
R
RP

Step 1
Name and Address

111 BUTTERFIELD WY APT 10
SACRAMENTO CA 95827-1111

FOR COMPUTERIZED USE ONLY

01	2	30	0	49	0	APE	0198
06	0	31	0	50	0	3800	0
09	0	35	0	51	0	3803	0
11	2	36	0	52	0	CATMT	0
12	40000	37	1606	53	0	SCHGI	0
14	109200	38	2406	54	0	5870A	0
16	4000	39	0	55	0	5805 5805F	0
17	79946	41	0	56	50		987654321
18	26658	43	800	57	0		
20	2297	44	0	58	0		
21	646	45	800	59	50		
23	0	46	0	60	750		
28	16320	47	0	61	0		
29	17325	48	0	63	0		

Step 2
Filing Status

Check only one.

1 ☐ Single
2 ☒ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here _____
4 ☐ Head of household (with qualifying person) STOP. See instructions.
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3
Exemptions

Attach check or money order here.

6 If someone can claim you (or your spouse, if married) as a dependent on their tax return, check the box here. . . ● 6 ☐
7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions. . . . . 7 [2]
8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2 8
9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2 . . . . ● 9
10 Add line 7 through line 9. These are your total exemptions . . . . 10 [2]
11 Dependents: Enter name and relationship. Do not include yourself or your spouse. _____
AUSTIN JONES SON JORDAN JONES SON Enter the total number of dependents 11 [2]

Step 4
Taxable Income

Attach copy of your Form(s) W-2, W-2G and 1099-R here.

12 State wages from your Form(s) W-2, box 17 . . . . ● 12 [40000]
13 Enter federal AGI from Form 1040, line 33; Form 1040A, line 18; Form 1040EZ, line 4; or TeleFile Tax Record, line H . . . . 13 [185146]
14 California adjustments – subtractions. Enter the amount from Schedule CA (540), line 33, column B. . . ● 14 [109200]
15 Subtract line 14 from line 13. If less than zero, enter the result in parentheses. See instructions. . . . . 15 [75946]
16 California adjustments – additions. Enter the amount from Schedule CA (540), line 33, column C . . . . ● 16 [4000]
17 California adjusted gross income. Combine line 15 and line 16 . . . . ● 17 [79946]
18 Enter your CA standard deduction OR your CA itemized deductions . . . . ● 18 [26658]
19 Subtract line 18 from line 17. This is your taxable income. If less than zero, enter -0- . . . . 19 [53288]

Step 5
Tax

20 Tax. Check if from ☒ Tax Table ☐ Tax Rate Schedule ☐ FTB 3800 or ☐ FTB 3803. . . . . . ◉ 20 [2297]
21 Exemption credits. Check if from: ☒ Flowchart ☐ Federal AGI limit or ☐ CA TMT limit . . . . . . ◉ 21 [646]
22 Subtract line 21 from line 20. If less than zero, enter -0- . . . . 22 [1651]
23 Tax. Check if from ☐ Schedule G-1 and ☐ form FTB 5870A . . . . ◉ 23 [ ]
24 Add line 22 and line 23. Continue to Side 2 . . . . 24 [1651]

For Privacy Act Notice, see instructions.

54098104613

Form 540 C1 1998 **Side 1**

Scannable Form 540 Example Side 2

Note: Example is Reduced

			25	1651

Step 6
Special
Credits
and
Nonrefundable
Renter's
Credit

25 Amount from Side 1, line 24 . . . .
28 Enter credit name SR HOH code no 163 and amount . . . ▶ 28 ___ 20
29 Enter credit name DEP PARENT code no 173 and amount . . . ▶ 29 ___ 25
30 To claim more than two credits, see instructions . . . . ● 30 ___
31 Nonrefundable renter's credit. See instructions for "Step 6" . . . . ● 31 ___
33 Add line 28 through line 31. These are your total credits . . . . 33 ___ 45
34 Subtract line 33 from line 25. If less than zero, enter -0- . . . . 34 ___ 1606

Step 7
Other Taxes

35 Alternative minimum tax. Attach Schedule P (540) . . . . ● 35 ___
36 Other taxes and credit recapture. See instructions . . . . ● 36 ___
37 Add line 34 through line 36. This is your total tax . . . . ● 37 ___ 1606

Step 8
Payments

38 CA income tax withheld. Enter total from your 1998 Form(s) W-2,
  W-2G, 1099-MISC and 1099-R. Also, attach form(s) to Side 1 . . . . ■ 38 ___ 2406
39 1998 California estimated tax and amount applied from your 1997 return.
  Include the amount from form FTB 3519 or Schedule K-1 (541) . . . . . . ■ 39 ___
41 Did either you or your spouse receive more than $31,767 in wages in 1998?
  Yes. See instructions.   No. Go to line 42 . . . . ■ 41 ___
42 Add line 38 through line 41. These are your total payments . . . . 42 ___ 2406

Step 9
Overpaid Tax
or Tax Due

43 Overpaid tax. If line 42 is more than line 37, subtract line 37 from line 42 . . . . 43 ___ 800
44 Amount of line 43 you want applied to your 1999 estimated tax . . . . ■ 44 ___
45 Overpaid tax available this year. Subtract line 44 from line 43 . . . . ■ 45 ___ 800
46 Tax due. If line 42 is less than line 37, subtract line 42 from line 37 . . . . 46 ___

Step 10
Contributions

47 Contribution to California Seniors Special Fund. See instructions . . . . ● 47 ___
  You may make a contribution of $1 or more to:
48 Alzheimer's Disease/Related Disorders Fund . . . . ● 48 ___ 00
49 California Fund for Senior Citizens . . . . ● 49 ___ 00
50 Rare and Endangered Species Preservation Program . . . . ● 50 ___ 00
51 State Children's Trust Fund for the Prevention of Child Abuse . . . . ● 51 ___ 00
52 California Breast Cancer Research Fund . . . . ● 52 ___ 00
53 California Firefighters' Memorial Fund . . . . ● 53 ___ 00
54 California Public School Library Protection Fund . . . . ● 54 ___ 00
55 D.A.R.E. California (Drug Abuse Resistance Education) Fund . . . . ● 55 ___ 00
56 California Military Museum Fund . . . . ● 56 ___ 50 00
57 California Mexican American Veterans' Fund . . . . ● 57 ___ 00
58 Emergency Food Assistance Program Fund . . . . ● 58 ___ 00
59 Add line 47 through line 58. These are your total contributions . . . . ● 59 ___ 50

Step 11
Refund or
Amount
You Owe

60 REFUND OR NO AMOUNT DUE. Subtract line 59 from line 45. Mail your return to: IMAGE
  PROCESSING, FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009 . . . . ■ 60 ___ 750
61 AMOUNT YOU OWE. Add line 46 and line 59. Make a check/money order payable to
  "Franchise Tax Board" for the full amount. Write your social security number and
  "1998 Form 540" on it. Attach it to the front of your Form 540 and mail to:
  FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001 . . . . ■ 61 ___

Step 12
Interest and
Penalties

62 Interest, late return penalties and late payment penalties . . . . 62 ___
63 Underpayment of estimated tax. If form FTB 5805 or 5805F is attached, check here . . . . ☐ ■ 63 ___
  ● 64 4

Sign Here
It is unlawful to forge a spouse's signature.

IMPORTANT: See "Sign Your Return" in the Form 540 instructions to find out if you should attach a copy of your complete federal return. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.   4

Your signature	Spouse's signature (if filing joint, both must sign)	Date	Daytime phone number
X	X		( )

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)   Paid preparer's SSN/FEIN
98-7654321

Firm's name (or yours if self-employed)   Firm's address

Side 2 Form 540 C1 1998   54098204613

GUIDELINES FOR SCANNABLE FORM 540A

How Must the Form 540A Scannable Band Appear?

The scannable band is a fixed format located on the bottom of Side 1. The two-digit line numbers in the "scanband" correspond to the calculation line numbers in the conventional area of Form 540A (Exception: line 12a will print in the scanband as line 12.):

- Entries will be in five columns;
- Courier, standard OCR-A font or "standard print" font. **Do not** use bold font;
- 10 pitch (pica spacing);
- The first column will start at line 54 at position 8, for a width of 6 printed positions;
- There **must** be 4 spaces between columnar format;
- The width of the 5 columns **must** be 12 printed positions (**Exception**: First column is 6 printed positions.);
- Right justify all dollar amounts and numeric entries. Omit leading zeros;
- Print "0" in fields that contain no data. **Do not** print NONE;
- All monetary entries **must** be positive and in dollars only. **NO** decimal points, commas, or other symbols or punctuation. **EXCEPTION**: For negative amounts on line 14, use a minus sign ("-") to precede the first digit. **Do not** use brackets;
- "0" will indicate "No" and "1" will indicate "Yes" for field numbers "06" and "5805";
- Tax preparer ID number (FEIN) (print line 59). Right justify, no dashes. **Mandatory**, professional products only.

This Page Left Blank for Notes

Submitting Scannable Form 540A and Scannable Form 540A Overlay for Approval Checklist

<u>**Scannable Form 540A**</u>

Entity Data Placement
To get entity data placement approval, submit returns that:
❏ Follow "Entry Instructions" on page 28
❏ Print the asterisks (see "Asterisks in the Entity" on page 27)
❏ Do **not** print the asterisks (see "Asterisks in the Entity" on page 27)
❏ Maximize all entity fields. PLEASE DO NOT FILL FELDS WITH "Xs." If your software does not support the maximum entity field size, indicate the supported field size in your cover letter.
❏ Have all fields in the correct location (see "Scannable Form 540A Specifications" that begins on page 51)

Scanband Data Placement
To get scanband data placement approval, submit returns that:
❏ Follow "How Must the Form 540A Scannable Band Appear?" guidelines on page 47
❏ Have all fields in the correct location (see "Scannable Form 540A Specifications" that begins on page 51)
❏ Have matching amounts in the scanband and conventional form lines
❏ Have a positive amount on line 14
❏ Have a negative amount on line 14 (DO NOT USE BRACKETS)*
❏ Print example of tax preparer ID (FEIN) (print line 59). Right justify, no dashes. **Mandatory**, professional products only.
❏ Print a "1" for the check off box 5805

Line Geometry
❏ Bold line at vertical position (print position) 6 through 80 and horizontal position (print line) 52
❏ Bottom registration mark (1-point rule) line at vertical position (print positions 5-28; 30-35; 50-55; 57-80 and print line 62
❏ Bottom registration mark (1-point rule) line at vertical positions 35 and 50 and print line 62; end at print line 63
❏ Follows "Samples of Registration Marks and Document ID Placement" on page 11

Patch
❏ Patch at vertical position (print position) 33 through 52 and horizontal position (print line) 4 through 8
❏ Follows "How to Program the Scannable Patch and How to Print the Scannable Patch" that begins on page 26

Conventional Form
❏ Vertical rule (penny line) shown on form. If product does not support the vertical rule, then the cover letter **must** indicate that the product will always print a decimal point.
❏ Follows "Guidelines for Preparing Scannable Tax Forms" beginning on page 24

Keying Symbols and Source Code
❏ Follows "Guidelines for Preparing Scannable Tax Forms" that begins on page 24

<u>**Scannable Form 540A Overlay**</u>
To get overlay approval, submit materials needed to create a Scannable Form 540A tax return (i.e., overlay, overlay instructions and tax return data).

* If your software does not support this item, indicate so in your cover letter.

This Page Left Blank for Notes

Scannable Form 540A Specifications

Definitions:	ALPHA	=	A-Z (MUST BE ALL CAPS)
	NUMERIC	=	0-9
	ALPHANUMERIC	=	A-Z, 0-9
	LEFT JUSTIFY	=	LJ

Print Line Number	Identification	Begin Print Position	Maximum Field Length	End Print Position	Field Description
1 - 3	Blank	-	-	-	-
4	Title of Form and Tax Year Area	6	25	30	Conventional form size/style
4	Patch Area	33	20	52	Use Kodak patch code specifications
5	Title of Form and Tax Year Area	6	25	30	Conventional form size/style
5	Patch Area	33	20	52	Use Kodak patch code specifications
5	Form Identifier (540A) Area	71	5	75	Conventional form size/style
6	Title of Form and Tax Year Area	6	25	30	Conventional form size/style
6	Bold Line	6	25	30	-
6	Patch Area	33	20	52	Use Kodak patch code specifications
6	Form Identifier (540A) Area	71	5	75	conventional form size/style
6	Bold Line	55	26	80	-
7	Patch Area	33	20	52	use Kodak patch code specifications
8	Patch Area	33	20	52	use Kodak patch code specifications
9	Do Not Attach Label Area	6	6	11	conventional form size/style
10	Do Not Attach Label Area	6	6	11	conventional form size/style
10	Taxpayer's SSN (mandatory)	16	11	26	Numeric, "-"
10	Taxpayer's Name Control (First Four Letters of Last Name) (mandatory)	29	4	32	Alpha, No Embedded Spaces No symbols or punctuation
10	If taxpayer name and address information is unchanged from previous year, enter "**" otherwise, leave blank (mandatory)	34	2	35	"**"
10	If Joint Return, Spouse's SSN (mandatory)	38	11	48	Numeric, "-"
10	Form Year Indicator (mandatory)	54	2	55	"98"
10	PACARRP Box Area	69	12	80	conventional form size/style
11	Do Not Attach Label Area	6	6	11	conventional form size/style
11	Taxpayer's First Name (mandatory)	16	11	26	Alpha, No Embedded Spaces
11	Taxpayer's Middle Initial	29	1	29	Alpha
11	Taxpayer's Last Name (mandatory)	32	17	48	Alpha
11	If Deceased, Enter "DECD" and Date of Death (mandatory)	51	15	65	Alphanumeric, "(DECD mm-dd-yy)"
11	PACARRP Box Area	69	12	80	conventional form size/style
12	If Joint Return, Spouse's First Name (mandatory)	16	11	26	Alpha, No Embedded Spaces
12	If Joint Return, Spouse's Middle Initial	29	1	29	Alpha
12	If Joint Return, Spouse's Last Name (mandatory)	32	17	48	Alpha
12	If Joint Return, Spouse is Deceased, Enter "DECD" and Date of Death (mandatory)	51	15	65	Alphanumeric, "(DECD mm-dd-yy)"
12	PACARRP Box Area	69	12	80	conventional form size/style

GUIDELINES FOR SCANNABLE FORM 540A

Scannable Form 540A Specifications

Definitions:	ALPHA	=	A-Z (MUST BE ALL CAPS)
	NUMERIC	=	0-9
	ALPHANUMERIC	=	A-Z, 0-9
	LEFT JUSTIFY	=	LJ

Print Line Number	Identification	Begin Print Position	Maximum Field Length	End Print Position	Field Description
13	Step 1 Name and Address Area	6	6	11	conventional form size/style
13	Additional Address	16	30	45	Alphanumeric
13	Executor/Guardian	48	17	64	Alphanumeric
13	PACARRP Box Area	69	12	80	conventional form size/style
14	Step 1 Name and Address Area	6	6	11	conventional form size/style
14	Street Address (mandatory)	16	30	45	Alphanumeric
14	APT, STE, SP, RM, FL, BLDG, UN and NO	48	5	52	Alpha, LJ
14	Number or Letter (No symbols)	54	5	58	Alphanumeric, LJ
14	PACARRP Box Area	69	12	80	conventional form size/style
15	Step 1 Name and Address Area	6	6	11	conventional form size/style
15	City (mandatory)	16	17	32	Alphanumeric
15	State - see page 22 for abbreviations (Mandatory)	35	2	36	Alpha
15	If Foreign Address	35	19	53	Alphanumeric
15	ZIP Code	39	10	48	Numeric, "-", LJ
15	PACARRP Box Area	69	12	80	conventional form size/style
16	Step 1 Name and Address Area	6	6	11	conventional form size/style
16	Bold Line	6	75	80	-
16	PACARRP Box Area	69	12	80	conventional form size/style
17 - 50	Conventional Form 540A	-	-	-	-
51- 61	540A Scanband – see specifications on page 53	-	-	-	-
62	Registration Mark (1-point rule) at positions 5-28; 30-35; 50-55; and 57-80	6	75	80	bottom line registration mark
63	Registration Mark, document ID * and conventional Form 540A	-	-	-	end of bottom registration mark, document ID and conventional form size/style

* Center document ID between positions 35 and 50 of the bottom registration mark. Use Courier font 12 point (10 pitch), **not** bold.

Note: If there is no spouse name, leave the applicable fields in print line number 12 blank. If there is no additional address or executor/guardian name, leave the applicable fields in print line number 13 blank.

Form 540A Scannable Band Specifications (bottom of Side 1)

Definitions:	NUMERIC	=	0-9
	"1"	=	Indicates a box that has been checked. Exception: field No. 01 (filing status) will indicate the number of the box that has been checked.
	"0"	=	Will indicate no response.
	RIGHT JUSTIFY	=	RJ

Print Line Number	Identification	Begin Print Position	Mandatory Print Field	Begin Field Position	Maximum Field Length	Field Description
51	Bold line	6	-	-	75	-
52	"FOR COMPUTERIZED USE ONLY"	-	-	-	21	Alpha, Center Justify
52	Bold line	6	-	-	75	-
53	Blank	-	-	-	-	-
54	Filing Status	8	"01"	13	1	"1", "2", "3","4", or "5"
54	State Wages Form(s) W-2	18	"12"	21	9	Numeric
54	Excess CA SDI or VDPI Withheld	34	"27"	37	9	Numeric
54	Underpayment of Estimated Tax	50	"37"	53	9	Numeric
54	CA Public School Library Protection Fund	66	"54"	69	9	Numeric
55	Claimed as a Dependent on Another Return	8	"06"	13	1	"0", "1"
55	Total CA Income Adjustments	18	"13"	21	9	Numeric
55	Overpaid Tax	34	"29"	37	9	Numeric
55	CA Seniors Special Fund	50	"47"	59	3	Numeric
55	D.A.R.E. CA (Drug Abuse Resistance Education) Fund	66	"55"	69	9	Numeric
56	Senior Exemption	8	"09"	13	1	"1", "2"
56	CA Adjusted Gross Income	18	"14"	21	9	Numeric, "-"
56	Overpaid Tax Applied to 1999 Estimated Tax	34	"30"	37	9	Numeric
56	Alzheimer's Disease/Related Disorders Fund	50	"48"	53	9	Numeric
56	CA Military Museum Fund	66	"56"	69	9	Numeric
57	Number of Dependents	8	"11"	12	2	Numeric
57	Standard/Itemized Deductions	18	"15"	21	9	Numeric
57	Overpaid Tax Available This Year	34	"31"	37	9	Numeric
57	CA Fund For Senior Citizens	50	"49"	53	9	Numeric
57	CA Mexican American Veterans' Fund	"66"	"57"	69	9	Numeric
58	5805 Attached Box	8	"5805"	13	1	"0", "1"
58	Nonrefundable Renter's Credit	18	"19"	27	3	Numeric
58	Tax Due	34	"32"	37	9	Numeric
58	Rare/Endangered Species Program	50	"50"	53	9	Numeric
58	Emergency Food Assistance Program Fund	66	"58"	69	9	Numeric
59	Total Tax	18	"23"	21	9	Numeric
59	Total Contributions	34	"34"	37	9	Numeric
59	Children's Trust Fund/Prevention of Child Abuse	50	"51"	53	9	Numeric
59	Tax Preparer's ID (FEIN) (Mandatory, professional products only)	-	-	69	9	Numeric, no dashes, RJ
60	CA Income Tax Withheld	18	"24"	21	9	Numeric

Form 540A Scannable Band Specifications (bottom of Side 1)

Definitions:	NUMERIC	=	0-9
	"1"	=	Indicates a box that has been checked. Exception: field No. 01 (filing status) will indicate the number of the box that has been checked.
	"0"	=	Will indicate no response.
	RIGHT JUSTIFY	=	RJ

Print Line Number	Identification	Begin Print Position	Mandatory Print Field	Begin Field Position	Maximum Field Length	Field Description
60	Refund or No Amount Due	34	"35"	37	9	Numeric
60	CA Breast Cancer Research Fund	50	"52"	53	9	Numeric
61	1998 CA Estimated Tax and Amount Applied from 1997 Return (include amounts from FTB 3519)	18	"25"	21	9	Numeric
61	Amount You Owe	34	"36"	37	9	Numeric
61	CA Firefighters' Memorial Fund	50	"53"	53	9	Numeric
62	Registration Mark (1-point rule) at positions 5-28; 30-35; 50-55; and 57-80	5	75	80	-	bottom line registration mark
63	Registration Mark, document ID * and conventional Form 540A	-	-	-	-	end of bottom registration mark, document ID and conventional form size/style

*Center document ID between positions 35 and 50 of the bottom registration mark. Use Courier 12 point (10 pitch), no bold.

Scannable Form 540A Record Layout (with asterisks)

Note: Record Layout is Reduced

Title of form and tax year

Patch

540A

DO NOT ATTACH LABEL

Step 1
Name and Address

```
PSSNXXXXXXX    NCTL  **    SSSNXXXXXXX          98
PFIRSTNAMEX    X    PLASTNAMEXXXXXXXXX
SFIRSTNAMEX    X    SLASTNAMEXXXXXXXX
ADDITIONALADDRESSXXXXXXXXXXXXXXXXX
STREETADDRESSXXXXXXXXXXXXXXXX    APTXX   NOXXX
CITYXXXXXXXXXXXXXX    ST    ZIPCODEXXX
```

Do Not Write In These Spaces
P
AC
A
B
RP

FOR COMPUTERIZED USE ONLY

01	0		12	000000000	27	000000000
06	0		13	000000000	29	000000000
09	0		14	000000000	30	000000000
11	00		15	000000000	31	000000000
5805 0		19	000	32	000000000

37	000000000	54	000000000
47	000	55	000000000
48	000000000	56	000000000
49	000000000	57	000000000
50	000000000	58	000000000
51	000000000	000000000
23	000000000	34	000000000	52	000000000
24	000000000	35	000000000	53	000000000
25	000000000	36	000000000

This Page Left Blank For Notes

Scannable Form 540A Record Layout (without asterisks)

Note: Record Layout is Reduced

Title of form and tax year

Patch

540A

DO NOT ATTACH LABEL

Step 1 Name and Address

PSSNXXXXXXXX NCTL
PFIRSTNAMEX X
SFIRSTNAMEX X
ADDITIONALADDRESSXXXXXXXXXXXXX
STREETADDRESSXXXXXXXXXXXXXXXXX
CITYXXXXXXXXXXXXX

SSSNXXXXXXX 98
PLASTNAMEXXXXXXXX (DECD MM-DD-YY)
SLASTNAMEXXXXXXXX (DECD MM-DD-YY)
EXECUTORXXXXXXXX
APTXX NOXXX
ST ZIPCODEXXX

Do Not Write In These Spaces
P
AC
A
B
BP

FOR COMPUTERIZED USE ONLY

01	0	12 000000000	27 000000000	37 00000000	54 00000000
06	0	13 000000000	29 000000000	47 000	55 000000000
09	0	14 000000000	30 000000000	48 00000000	56 000000000
11	00	15 000000000	31 000000000	49 00000000	57 000000000
5805 0		19 000	32 000000000	50 00000000	58 000000000
		23 000000000	34 000000000	51 00000000	000000000
		24 000000000	35 000000000	52 00000000	
		25 000000000	36 000000000	53 00000000	

This Page Left Blank For Notes

Scannable Form 540A Example Side 1

Note: Example is Reduced

California Resident Income Tax Return 1998   **540A**

DO NOT ATTACH LABEL

111-11-1111 SMIT 222-22-2222 98
ROBERT   J SMITH   (DECD 12-10-98)
KELLY   J SMITH   (DECD 12-11-98)
                              ROBERT ROBERTS

Step 1
Name and Address

3452 1/2 BUSY DR   NO   5
BORDERTOWN   CA 12345-1111

Do Not Write In These Spaces
P
AC
A
R
RP

Step 2
Filing Status
Check only one.

1 ☐ Single
2 ☐ Married filing joint return (even if only one spouse had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here ____
4 ☐ Head of household (with qualifying person). STOP. See instructions.
5 ☐ Qualifying widow(er) with dependent child. Enter year spouse died 19____.

Step 3
Exemptions
Attach check or money order here.

6 If your parent(s), or someone else can claim you (or your spouse, if married) as a dependent on their tax return, even if that person chooses not to, check here. .... ● 6 ☐

7 Personal: If you checked box 1, 3 or 4 above, enter 1. If you checked box 2 or 5, enter 2. If you checked the box on line 6, see instructions .... 7 [2]

8 Blind: If you (or if married, your spouse) are visually impaired, enter 1. If both are visually impaired, enter 2 ... 8 [ ]

9 Senior: If you (or if married, your spouse) are 65 or older, enter 1. If both are 65 or older, enter 2. .... ● 9 [ ]

10 Add line 7 through line 9. These are your total exemptions .... 10 [2]

11 Dependents: Enter name and relationship. Do not include yourself or your spouse.
~~KIMBERLY SMITH - DAUGHTER~~
~~SARAH SMITH - DAUGHTER~~   Enter the total number of dependents 11 [2]

Step 4
Taxable Income
Attach copy of your Form(s) W-2, W-2G and 1099-R here.

12a State wages from your Form(s) W-2, box 17 .... ● 12a 55,000
12b Enter federal adjusted gross income from your TeleFile Tax Record, line H; Form 1040EZ, line 4; Form 1040A, line 18; or Form 1040, line 33. If this amount is over $100,000, STOP; you must file Form 540 12b 50,000

13 Total California income adjustments. Enter the amount from Side 2, Part I, line 7. .... ● 13 1,000

14 Subtract line 13 from line 12b. This is your California adjusted gross income. See instructions .... ● 14 49,000

15 Enter the [● Your CA standard deduction or] See the instructions for the chart or worksheet that larger of: [● Your CA itemized deductions] applies to you. Be sure to enter an amount on this line ● 15 5,166

16 Subtract line 15 from line 14. This is your taxable income. If less than zero, enter -0- 16 43,834

Step 5
Tax and Credits

17 Tax. Use the tax table or tax rate schedules to find the tax on the amount shown on line 16 .... 17 1,271
18 Exemption credits. See instructions 18 646
19 Nonrefundable renter's credit. See instructions .... ● 19 120
20 Total credits. Add line 18 and line 19 .... 20 766
23 Subtract line 20 from line 17. This is your total tax. If less than zero, enter -0- .... ● 23 505

Continued on Side 2.

FOR COMPUTERIZED USE ONLY

01	2	12	55000	27	0	37	0	54	0
06	0	13	1000	29	1495	47	0	55	0
09	0	14	49000	30	0	48	0	56	0
11	2	15	5166	31	1495	49	0	57	0
5805	1	19	120	32	0	50	0	58	0
		23	505	34	0	51	0		987654321
		24	2000	35	1495	52	0		
		25	0	36	0	53	0		

For Privacy Act Notice, see instructions.   540A98104613   Form 540A C1 1998 **Side 1**

Scannable Form 540A Example Side 2

Note: Example is Reduced

Step 6 Overpaid Tax or Tax Due	24 California income tax withheld. See instructions	■ 24	2,000
	25 1998 California estimated tax and payment with form FTB 3519	■ 25	
	27 Did either you or your spouse receive more than $31,767 in wages in 1998? Yes. See instructions. No. Go to line 28	■ 27	
	28 Total payments and credits. Add line 24, line 25 and line 27	28	2,000
	29 Overpaid tax. If line 28 is more than line 23, subtract line 23 from line 28	29	1,495
	30 Enter the amount of line 29 you want applied to your 1999 estimated tax	■ 30	
	31 Overpaid tax available this year. Subtract line 30 from line 29	■ 31	1,495
	32 Tax due. If line 28 is less than line 23, subtract line 28 from line 23	32	
Step 7 Refund or Amount You Owe	34 Total contributions. Enter amount from Part II, line 13 below	● 34	
	35 REFUND or NO AMOUNT DUE. Subtract line 34 from line 31. Enter the result here. Mail return to: IMAGE PROCESSING, FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0000	■ 35	1,495
	36 AMOUNT YOU OWE. Add line 32 and line 34. Enter the result here. Make a check or money order payable to "Franchise Tax Board" for the full amount. Write your social security number and "1998 Form 540A" on it. Attach it to the front of your Form 540A and mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0001	■ 36	
	37 Underpayment of estimated tax. If form FTB 5805 is attached, check here	☐ ■ 37	
		● 38	4

Part I California Income Adjustments. See instructions.

1 State income tax refund adjustment (from Form 1040, line 10). See instructions	1	1,000
2 Unemployment compensation adjustment (from federal TeleFile Tax Record, line D; Form 1040EZ, line 3; Form 1040A, line 12; or Form 1040, line 19). See instructions	2	
3 Social security benefits adjustment or tier 1 and tier 2 railroad retirement benefits adjustment. See instructions	3	
4 California nontaxable interest or dividend income adjustment. See instructions	4	
5 California IRA distributions adjustment. See instructions	5	
6 California pensions and annuities adjustment. See instructions	6	
7 Total California income adjustments. Add line 1 through line 6. Enter here and on Side 1, line 13	7	1,000

Part II Contributions.

1 Contribution to California Seniors Special Fund. See instructions	◄ 47 ►	1		
You may make a contribution of $1 or more to the following funds:				
2 Alzheimer's Disease/Related Disorders Fund	◄ 48 ►	2		00
3 California Fund for Senior Citizens	◄ 49 ►	3		00
4 Rare and Endangered Species Preservation Program	◄ 50 ►	4		00
5 State Children's Trust Fund for the Prevention of Child Abuse	◄ 51 ►	5		00
6 California Breast Cancer Research Fund	◄ 52 ►	6		00
7 California Firefighters' Memorial Fund	◄ 53 ►	7		00
8 California Public School Library Protection Fund	◄ 54 ►	8		00
9 D.A.R.E. California (Drug Abuse Resistance Education) Fund	◄ 55 ►	9		00
10 California Military Museum Fund	◄ 56 ►	10		00
11 California Mexican American Veterans' Memorial	◄ 57 ►	11		00
12 Emergency Food Assistance Program Fund	◄ 58 ►	12		00
13 Total contributions. Add line 1 through line 12. Enter here and on line 34 above		13		

Part III

Sign Here

It is unlawful to forge a spouse's signature.

Do not attach your federal return to this return.

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief, it is true, correct and complete. **4**

Your signature	Spouse's signature (if filing joint, both must sign)	Date	Daytime phone number
X	X		( )

Paid preparer's signature (declaration of preparer is based on all information of which preparer has any knowledge)　　Paid preparer's SSN/FEIN

98-7654321

Firm's name (or yours if self-employed)　　Firm's address

- Be sure to file your return by April 15, 1999.
- Mail the original Form 540A (no photocopies or corrections).
- Attach your check or money order to the front of Form 540A.
- Do not attach a copy of your federal return.

- If you cannot file your return by April 15, 1999, and owe tax, be sure to complete form FTB 3519, Payment Voucher for Automatic Extension for Individuals, and pay the amount you owe by April 15, 1999, to avoid late payment penalties and interest.

Side 2 Form 540A C1 1998　　540A98204613